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2 July 1982

LATIN AMERICA REPORT

No. 2531

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BUSINESSMEN, PEMEX OFFICIALS INVOLVED IN FRAUDS

\$600 Million Involved

Mexico City EXCELSIOR in Spanish 16 May 82 pp 5-A, 31-A

[Article by Rafael Medina Cruz]

[Text] Fourteen federal financial audits are being carried out by the General Investigations Office for an equal number of companies that provide machinery to Mexican Petroleum, and so far, tax evasions totalling more than \$600 million (about 28 billion pesos) have been discovered.

The General Investigations Office and the Office of the Attorney General of the Republic announced that besides the owners of the companies, some PEMEX officials were implicated in the financial irregularities.

Mr Javier Coello Trejo, agent for the Federal Public Ministry in charge of special affairs, as well as Cdr Florentino Ventura Gutierrez and his special group in cooperation with the Secretariat of Finance and Public Credit, are carrying out investigations within the country as well as abroad, to determine the seriousness of the tax evasions.

Also, it was stated that through these investigations they are trying to find out which companies engaged in transactions with dummy corporations since they altered not only the cost of machinery, but also that of the material used for drilling wells.

It was reported in the National Investigations Office, that the audits of the 14 companies were started 4 months ago and the Attorney General's Office of the Republic said that the investigations "are progressing well."

Dossier 2255/82, which has been filed in the ninth district court under penal matters, is opened, so that as soon as the Office of the Attorney General of the Republic receives the documents from National Investigations Office, accusing those who are responsible, it can request the justice administrator to issue a warrant for their arrest.

In that case, already held for trial are the members of the administrative council of the business group Delta, Ricardo Garcia Portugal, Lorenzo Garcia Beltran, Guillermo Rodriguez Galicia, who have been formally arrested for tax evasion \$7 million, and Ricardo Garcia Beltran who is a fugitive from justice.

It was reported in the PGR (Office of the Attorney General of the Republic) that the tax evasions have been verified and that the only thing needed now to take punitive action is for the National Investigation Office to present Coello Trejo with the document.

Barite Swindle

Mexico City EXCELSIOR in Spanish 18 May 82 pp 5-A, 28-A

[Article by Rafael Medina Cruz]

[Text] The existence in PEMEX of dummy corporations and straw middlemen that in complicity with officials of this semi-state institution acquired a considerable amount of the equipment used for drilling wells, causing an economic drain of several million dollars, was uncovered through the investigations made by the Office of the Attorney General of the Ministry of Finance and Public Credit.

Documents in the hands of the Office of the Attorney General of the Republic and of PEMEX's director, Julio Moctezuma Cid, sent by Mexican corporations that were kept out of the market for not complying with the requirements set by those in charge of purchases, and that prefer to make contracts with dummy corporations that supposedly operate in the United States, rather than to acquire products at a better price from national enterprises uncovered a series of irregularities in the purchase of barite (a mineral used in drilling wells).

One of the documents sent via telex to Julio Rodolfo Moctezuma Cid, signed by Mr Luis Galaz Valencia, supply manager for Proveedores La General, S.A., tells of a series of anomalies that represent big losses to PEMEX in the acquisition of barite.

Proveedores La General is located at 743 Ferrocarril Avenue, Colonia Libertad, Tijuana B.C.N. and in a communique sent to PEMEX's director it gives detailed information about an investigation made by two U.S. agencies which reveals that American International Trading Corporation and Well Aids International are dummy corporations.

These companies, the telex sent to Moctezuma Cid specifies, appear as the principal providers of barite to PEMEX, in spite of being corporations in name only and of selling this mineral at much higher prices than other companies.

Names

The managers of American International Trading Corporation and Well Aids International are Timothy S. Bramlik and another gentleman by the name of Prassad, who is complicity with Roberto Chavez and Ricardo Gandara, Mexicans, appear as middlemen and carry out direct negotiations with PEMEX for the purchase of barite.

The General Investigations Office as well as the Office of the Attorney General of the Republic are investigating the above and the investigators are obtaining evidence not only here but also abroad.

The telex received at PEMEX by Mr Tomas Ramirez Aguilar shows also that on 5 February 1980 that company placed an order for 13,500 tons of barite to American International Trading of Miami, Florida, at \$145 per ton.

The order number was 852-10-0-00536 and that cargo was transported from India to Coatzacoalcos, Veracruz in the ship V.M. Lircay. They delivered 12,873 tons and PEMEX paid \$1,866,585 on 17 April of that same year.

Afterwards, it is said in the telex, the company placed another order, number 852-10-0-2281 for 30,000 tons of barite at \$155 per ton. This order was delivered in two shipments. The first one consisted of 14,345 tons transported in the ship M.V. Grace and the second one of 14,452 tons was transported in the motor vessel Fratzescos.

The unloading of these last two shipments was delayed by PEMEX. The unloading of the ship Grace was delayed for 2 months and that of the Fratzescos was delayed for 32 days.

The cost of the delay was paid with check number 73,609-10 to American International Trading Corporation against PEMEX account number 071566 on the Bank of the South West of Houston, Texas on 19 February 1981.

They Buy Barite From India

According to the investigations made on behalf of Proveedores La General by the two North American agencies, the way these dummy corporations operate is as follows: American International Trading Corporation and Well Aids International buy barite in India from the Mineral and Metal Trading C.P. Corporation of India LTD to resell later to PEMEX at a much higher price than that paid for it so that they, the middlemen and those in charge of purchases at PEMEX, who it is believed received bribes for this, can benefit.

The investigations were started, it is explained in the telex, because for over a year Proveedores La General had been offering PEMEX barite of the same quality with the same delivery date, but with the difference that they sold it \$10 cheaper per ton, and the offer was never accepted.

In the telex, of which EXCELSIOR has a copy, Proveedores La General ask themselves "How is it possible that PEMEX is dealing with Ricardo Gandara and Roberto Chavez when it has been shown that these are middlemen and that they sell their product in detriment to the economy of the most important semi-state corporation in the country while benefiting foreign dummy corporations?"

Provedores La General points out in the message to Moctezuma Cid that it is putting at the disposal of PEMEX and any of its subsidiaries, all the documentation showing each of the irregularities committed, that besides representing a fraud to the semi-state enterprise also damages the national economy.

Neglect of Equipment

Mexico City EXCELSIOR in Spanish 18 May 82 p 20-A

[Article by Humberto Aranda]

[Text] While 80 percent of the 230 tank trucks that Mexican Petroleum has at its disposal for the distribution of fuel and lubricants in the Valley of Mexico "are pure junk," private enterprises "in which PEMEX officials and high-ranking politicians obviously have interests," have modern fleets that add up to 1,500 vehicles."

On the 13th of this month, while traveling on the peripheral road, one of PEMEX's tank trucks had its bottom damaged and spilled 12,000 liters of gasoline, and on the same day another one caught fire inside the plant of the Azcapotzalco refinery.

Last Saturday PEMEX drivers assigned to the Shipping and Deliveries Department placed cardboard signs on the tank trucks to draw the attention of the public to the danger that the gasoline distribution equipment represents. Under pressure from their superiors, they took the signs off.

"But none of this is strange, since for 10 years not even one audit has been made in Shipping and Deliveries," said Salvador Hernandez Ayala, secretary to the independent petroleum movement organization Lazaro Cardenas. This remark was made yesterday during an interview in which he announced that workers from this department have taken various measures "to induce the government to pay attention to what is happening at PEMEX." One of them will consist of a demonstration today at 12:30 pm at this place of work.

The Office of the Attorney General of the Republic, Hernandez Ayala said, should thoroughly investigate how Mexican Petroleum resources are handled, "because there is an incredible drain of money." He stressed that the investigations should basically focus on the personnel and sales management offices and on officials like Mr Victor Ostos Luzurriaga, superintendent Soto Rico and Andres Fortolis, among others.

It is clear, the petroleum director maintained, that the distribution of fuels and lubricants with PEMEX's own equipment has been purposely neglected, notwithstanding the fact that every 6 years, 6 billion pesos are allotted for this.

Unloading Equipment Needed

It gets to the point, he said, where very often we lack even hoses used by the tank trucks to unload fuel at the gas stations. And at the present time there is an evident shortage of money for the upkeep of the vehicles themselves in spite of the fact that the budget for replacements was recently increased by 4 million pesos.

He indicated that the person responsible for maintaining the delivery equipment is Andres Fortolis, who is also the owner of a workshop that has the concession to repair PEMEX tanker trucks. "There are trucks whose repair have cost more than a million pesos and which are still in terrible condition," asserted Hernandez Ayala.

Something that should be clarified, the leader believes, is the matter of which of the companies that sell goods and services to Petroleos, are the property of officials or former officials of that company, because expenditures are increasing for operations that have no reason to be contracted for with private enterprises, as in the case of cleaning of the year in the Azcapotzalco refinery, which is done by a private company.

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CSO: 3010/1642

BRIEFS

PEMEX SUBCONTRACTORS DISMISS 20,000--Coatzacoalcos, Veracruz, 26 May --About 20,000 workers have been laid off by construction subcontractors working for Mexican Petroleum since the suspension of several projects because of cuts in the federal budget, it was reported by Israel Solano Palacios, secretary of labor of the Regional Federation of the CTM [Confederation of Mexican Workers]. Maria Eugenia Juarez, head of the Training Institute of the Construction Industry, said that due to the reduction in construction programs for the area, training had been terminated for 7,000 workers who were to have been hired soon. Antonio Warren, president of the local Chamber of Commerce, said that the Federal budget cuts had caused unemployment and reduced sales in the firms which sell construction materials. Port activity has dropped 30 percent, causing the layoff of temporary workers, said Armando Santiago, secretary of the oversight committee of the Longshoremen's Cooperative. [Text] [Mexico City EXCELSIOR in Spanish 27 May 82 pp 5-A, 29-A] 8735

PEMEX EMPLOYMENT CUTBACKS--Up to the present time slightly over 7,000 temporary workers have been fired by Mexican Petroleum as a result of a Federal Government budget cut. The leader of section 26 of the petroleum union, Raul Charles Trevino, made the above statement and added that in the Huimanguillo petroleum chemical complex, work has come to a stop and approximately 2,000 workers have not been rehired. Also, he added that about 5,000 workers in section 22 of the petroleum union working in construction jobs at Dos Bocas petroleum port, have been fired. Andres Sanchez Solis, director of section 44 of that group, assured that of the workers that belong to this section, none has been affected. [Article by Juan Ochoa Vidal] [Text] [Mexico City EXCELSIOR in Spanish 16 May 82 p 2-D] 9907

CSO: 3010/1642

'LA NACION' COMMENTARIES ON FALKLANDS OUTCOME

Nation's Quality Must Be Strengthened

Buenos Aires LA NACION in Spanish 15 Jun 82 p 8

[Editorial: "History Has Fated Us to Quality"]

[Text] It has been claimed that 2 April marked a critical point in the Argentine historical process. The assertion is based on the fact that the world was shown, and what is far more important, we ourselves were given proof that a national cause, such as the defense of sovereignty, acts as a coalescing factor for the unity of an entire people.

It may be said that the Argentine people share, in a cohesive manner, the cruel situation of the war that they have faced with the steadfast hope of achieving a just and honorable peace. Even yesterday's gloomy military news has not dashed the hopes completely.

But if 2 April transcends the significance of an incident involving arms, it is precisely because it warrants harboring the conviction that, once peace has been attained, the Argentines will set aside the disputes which not only weaken national unity, but also jeopardize the mark of identity. The period that we are experiencing should serve as a lesson for strengthening ourselves, and our moral and intellectual forces which, when properly respected, will be essential factors in the task of forging the nation that the Argentines must continue to consolidate.

Our inclusion in the world depends on many factors, but the fundamental one stems from national unity. It should be noted that we are not thereby seeking to eradicate the nuances or differences which are enhancing so as to assume the monolithic structure of totalitarianism. On the contrary, we wish to stress that only by strengthening the features of the "real Argentina" shall we be able to propose as our horizon the "ideal Argentina" dreamed of by our forebears which the blood now shed demands, so that so much sacrifice shall not have been in vain.

We must consider the country that we want and, furthermore, the reflection must be accompanied by the indispensable transforming action. The nation must fortify all its structures. This does not mean turning our backs to the world,

because while the isolated individual is an abstraction, so are the nations which consider themselves self-sufficient: everyone needs everyone else. If the leaders of the countries that we regarded as "friendly nations" until very recently have been mistaken, we shall not for that reason give up our historic roots, nor shall we "invent" a fruitless hatred for a culture of which we are active protagonists, despite the myopia of certain public persons who are not on a par with the nations that they represent.

It has recently been commented that history has fated us to quality. That quality must be stimulated in all areas, both those related to scientific and technical development and the other realms of social activity. At this stage of civilization, mankind can no longer survive without constant scientific development. The hostile incidents that we are experiencing, imposed by a world power with the support of a superpower, attest to this; and if Argentina has been able to play a self-assured role in the difficult conflict it is due to the remarkable valor of our troops. This quality which (as we have said) history has forced upon us demands a country with the proper structures, capable of manifesting it in all areas.

2 April must leave many lessons for us, and it is incumbent on us to reflect appropriately on them.

We must realize that history does not allow for delays or immobility. And we use the term history in the loftiest of senses, because nations which want to retain their identity must join in the historical process which is unthinkable without the concomitant cultural process.

Culture must find in all areas the atmosphere essential for its development which will, concurrently, coincide with the strengthening of our nation.

Intellectuals must discharge an essential function in the endeavor to reflect on the needs that the country will have to meet urgently. Only on the basis of a structure that tolerates dissent and candid discussion of the national problems will it be possible to reach consensus for the construction of an Argentine "fated to quality."

Political Leaders Back to Old Stance

Buenos Aires LA NACION in Spanish 15 Jun 82 p 8

[Article: "Almost As Before"]

[Text] It is likely that, when the five heads of the Multiparty group meet this afternoon, they will reach the rather unencouraging conclusion that, with respect to the government, they are now, to a very great extent, in a situation similar to that of 2 and a half months ago. To be sure, this does not mean that the political nation has retrogressed to the reality predating 2 April; but rather that the relations between the parties and the government (insofar as the constitutional solution is concerned) have been impossible to put into a clear channel of cooperation during the past 10 weeks, as had been expected until recently.

The reproaches from the political leaders (and not only those of the Multiparty group) for what they consider repetitive positions of the government, with plans or projects that they thought had been eliminated by the great historic shift of 2 April, have proliferated since President Galtieri, on 7 June, alluded to a solution without deadlines, and the interior minister moved a certain distance even from those who had traveled with him to Puerto Argentino.

The latter are the indications given for the most part, as well as the government's insistence on confronting the parties with a reorganizational task which some consider unnecessary, because it would delay the normalization process.

The problem of the five heads is surely not that of approving the new version of the emergency program ("before it is too late"), the drafting of which by the alliance's political board was completed last night; but rather to decide how to act so that the Military Junta and the government will consider themselves notified. In December, when the relations with the authorities were non-existent, or at least not at all warm, there was a resorting to the press. Now, in all likelihood, the same thing will have to be done, despite the fact that one of the commanders in chief considers it advisable to receive that document, without thereby entailing formal recognition of the Multiparty group. Incidentally, the majority of "the five" are not bent on discussing formal aspects, yet there is every indication that the former procedure will have to be repeated and, at most, a copy placed near the Military Junta's document reception desk.

There has obviously been a considerable psychological setback in comparison with 2 weeks ago, when the probe of political observers was directed toward the possibility of an agreement that would lead to a transitional government. If this was really close to being undertaken, there is now little doubt that those who were in a position to do so are not currently equipped with the same ability. Consequently, the Multiparty group has been strengthened now that this option among individuals with influence in the Justicialist entity no longer makes sense.

Before making a decision on the publicizing method to be followed, the members of the alliance will make some personal probes in order to exhaust "the channels of relationship, and not those of discord (as one of them remarked), so as to avoid in any way obscuring our adhesion to the Armed Forces during this historic period for the country." Reportedly associated with this intention is the fact that the proposal cited 1984 as a maximum date for the institutional normalization. That is the date set for the conclusion of President Galtieri's term.

The Statute and the Cards

The Radical Civic Union [UCR] experts think that they will require a period of from 6 to 8 months to complete the reorganization imposed by the new statute, the promulgation of which is to take place during the first 2 weeks of July, surely accompanied on the same occasion by the pertinent regulatory decree. The Radical party currently has somewhat over 850,000 members, and hopes to attain about 600,000 during that period.

The Justicialists have an undetermined number of members, although it is known to be smaller than that of UCR. In the party of Juan Domingo Peron, no special emphasis was placed on members (beyond those required by law), owing to the well-known rivalry between political and trade union sectors.

Following behind both parties there are said to be three more in a position to obtain national legal status, according to the new stipulations. They are the Integration and Development Movement, the Federal Party and the Christian Democratic Party, after having recovered from its split between "popular" and "revolutionary" members. As everyone knows, through the system of federations recognized by the new plan, another national force currently represented by FUFEPPO [Popular Federalist Forces] would have to be added, while the left would attempt the same legal course of action.

Rightfully, more than one political leader has reached the conclusion that the government has finally decided to widen the statutory doorway, allowing, as may be noted, at least half a dozen national groups to enter. That number is certainly not in keeping with the aspiration contained in the guidelines issued at the time by the Military Junta, when the expectations concerning the presumed "breeding" of the National Reorganization Process were quite different from what they are now. Obviously, if the initial requirement had been retained (three or, at the most, four large parties), the difficulties in trying to preserve the legacy of the Process would perhaps be insurmountable.

Among the Radicals it is thought that the statute to be issued is, in the last analysis, a "test" for the government. Dr Antonio Troccoli surely thinks so, because the veteran party has at its disposal organizational resources for passing the test without too many technical problems. Among the Justicialists, the estimate is based on whether it will be able to do so without splits, since it will not be done through the machinery of recruitment.

The FUFEPPO provincial parties will probably not have too many problems in most instances either, in collecting members in the necessary districts, with three per thousand registered as its card-holders.

Two instances of strenuous effort may be those of the Developmentists and the Manriquists; the former, because it has not put its apparatus to the test at the polls for 17 years, and the latter because it may lack those battalions of leaders that only long-standing election experience can usually accrue.

South Atlantic Situation Analyzed

Buenos Aires LA NACION in Spanish 15 Jun 82 p 9

[Article by Vicente Gonzalo Massot: "Argentina, a Modern Prometheus"]

[Text] An analytical exercise regarding the causes which served as a precursor of, and the consequences which have followed the Argentine occupation of the

Malvinas requires, of course, dispensing with any ideological preconception that could upset the consideration of the phenomenon that we are attempting to discuss and explain. It appears obvious that, whatever its plans may have been, on 2 April Argentina acted like a modern Prometheus, violating the suppositions regarding the strategic balance constructed by the superpowers in the nuclear era.

In this connection, our country failed to obey groundrules that had been imposed on it from above and, through the use of force, undertook a formidable enterprise, transcending its final results. Just as the character in Greek mythology took the liberty of stealing the sacred fire from the gods, Argentina decided to leave the ruts deemed "suitable" by the international community, and to reclaim its sovereign rights in the archipelago by force; something which, in short, meant challenging the final monopoly on decisions concerning war and peace that Russia and the United States have reserved for themselves. Because, apart from other considerations of a strategic nature, which cannot be disregarded, Argentina will be condemned, in the first instance, for using force, a new "sacred fire," to which only the two superpowers, or their surrogates (Israel, Cuba and North Vietnam), have access and can use for their own purposes.

The position might seem macabre to us, but it is a reality which cannot be overlooked, nor could it have been overlooked when the reconquest of the Malvinas was proposed. In fact, every prior consideration of the matter had, necessarily, to take into account the effect that the different political and military factors which are intermingled in the world would have, once our flag flew in Puerto Argentino.

In this respect, there was a series of errors of judgment on both sides which, as they became linked, resulted in a crisis that took everyone by surprise. There is not the slightest doubt that the war in the South Atlantic originated from those errors.

First of all, Argentina never thought that the United Kingdom would react as it did, not because it underestimated the latter, but rather because the slight importance which the Foreign Office had always attached to the matter of the "Falklands" created the expectation of anything except the sending of a fleet similar to that sent to Suez in 1956. For its part, Britain actually transferred its view of the problem, and thought that Argentina would not attach significance to the matter either. Hence, it was never concerned about maintaining a suitable defense facility.

On the basis of such "errors," a scheme that has not yet ended began to develop. Our country was faced with a Margaret Thatcher beset with issues which were threatening her stay on Downing Street, and who could not withstand a single additional setback without having to leave the government. This does not mean that, if the British prime minister's position had been more comfortable, she would have shrugged her shoulders and that her entire reaction would have been to submit a protest at the United Nations. It does point to the fact that the weight and nature of her response might have been different. But the current circumstances did not leave her any great maneuvering room: either she reacted, or she would give way to her successor, who might well have been Michael Foot.

The United States' Option

Along with mentioning the Labour leader, we must introduce the United States, and not exactly precipitously. Its position has been widely criticized, and I shall not be the one to intercede in its behalf. However, it would be childish to continue deceiving ourselves regarding the alleged American betrayal.

If we remove ideology from the issue for a moment, and attempt (something that is surely not at all easy) to forget our status as belligerents, we shall realize the choice that Ronald Reagan had to make.

During all this time that we have been reviewing the events with some friends, I have repeated Indalecio Gomez' definition of politics which was reiterated so much by Julio Irazusta, a master in so many ways: "An option between difficulties."

The United States was faced with an option and it would lend its support to one contender or the other depending on whether it valued its Atlantic or Latin American security context, and depending on whether it gave priority to its explicit alliance with Britain in NATO or to relations (it is impossible to talk about an alliance) that have been abrogated with Argentina in favor of the common views upheld concerning the crisis in Central America. Obviously, the decision, even with the notable and widely known deterioration that the U.S. image would suffer in the countries south of the Rio Grande, did not pose any doubts.

At the present time, England is the United States' first bishop on the European chessboard. Not only is it impossible to do without England, but it must protect Margaret Thatcher from any danger, because of the unconditional backing that she is giving to the Pershing and Cruise missile program with which the United States will attempt, in 1984-85, to balance the Russian might crystallized in the obvious and striking existence of the SS-20.

The United States needs not any England, but rather an England with Thatcher at the helm, without which all its nuclear deterrent strategy and system runs the risk of failing. The image of a Michael Foot in charge of Downing Street must have paralyzed the Washington strategists.

At the same time, we should make a digression regarding the position that the country to the North has assumed now and at the time of Suez. Parallel size, which has been brought up for discussion with unequal exactness recently, does not allow for oversimplification. In 1956, Russia did not yet have the capacity to challenge American atomic power, and hence the British role was totally different within the Western security system. It is true that NATO was already in existence, but the significance of the United Kingdom then had not acquired the same weight as it has now, mainly because the deepseated differences hovering over that organization had not been brought up, and Europe had not been won over by neutralism and the attempts at "Finlandization" which are increasing daily.

Latin America, Myth or Reality?

In view of these premises, the British conservatives, backed by the United States and the European community, set forth for the attack. Meanwhile, the head of Lord Carrington, the man who had with unquestionable skill directed the transfer of power in Rhodesia from the white minority to a government of avowed Marxist background, no less, rolled. It could not be better as an indication of the extent to which an error of judgment in a non-priority matter (as in the case of the Malvinas) can trigger unanticipated consequences and devour the protagonists.

The European Economic Community supported Britain without division (at least at first), proving that it gives priority to interests and not ideologies. All the progressive, pacifist, anti-imperialist declamations of the German Social Democrats and French Socialists yielded to the concrete interests of the Western nations of the North. Latin America, on the other hand, acted differently.

As we discover new cards and have to analyze their weight, we feel the need to dispel a group of myths and vested interests. It is true that the Latin American nations have basically backed our position, but they have done so, on the whole, so timidly and with so many restrictions that the importance of their gesture has been moral.

When confronted with the first decision of EEC, with its program of concrete sanctions, neither OAS nor TIAR arranged for similar counter-measures, when, for the first time since 1947, an extracontinental power attacked American territory. Could it be claimed, for this reason, that OAS is not of any use and that TIAR responds only to the United States' plans? Let us consider this step by step, because the issues are not generally so easy to define.

At the outset, there is an obvious difference between the power of the United States and that of the rest of the continent; and, secondly, there is an objective situation of economic underdevelopment and dependence among many Latin American nations, which impedes and undermines their sovereign power.

The decision of the Federal Republic of Germany, the Netherlands or France to back Great Britain is not the same as that of Bolivia, Honduras or even Brazil to back Argentina. In short, for the latter, penalizing the countries which are their creditors is involved.

The happy notion of not paying the foreign debt and thereby putting the industrialized nations against the wall is not nonsense, provided a country has found its Lenin or its Khomeini, something which is certainly by no means easy. In addition, apart from the critical status of the Latin American countries with respect to the industrialized world, consideration must be given to the difficult relations among them. Why take for granted a favorable vote for Argentina from Chile or Brazil? Citing the common origin means failing to understand that romantic theories turn out to be dangerous.

So, if we consider the U.S. option, with the resultant power that its position radiates, the difficult status of the majority of Latin American countries with respect to their creditors and the disputes of some of them with Argentina, we complete a picture that is not exactly idyllic. OAS could not offer any more because, among its members, a least common denominator had to be devised to which Venezuela and Chile, to mention the two ends of the spectrum, could become assimilated. Only what was possible had to be requested, because otherwise the risk of not achieving even a mere declaration of support would be run (and it will be run every time the aforementioned organization has to issue an opinion). What held true for OAS held true for TIAR.

Since the measures available to the consulting organ were of a different nature and covered a broad spectrum, it is pertinent to consider the fact that, in requesting the application of TIAR, Argentina invoked Article 6 and not 3.

The difference between the two is clear, not because both do not respond to the same spirit, but because, under the current circumstances, for Argentina's purposes it was not the same thing to invoke them indiscriminately. Our country sought the urgent convocation of the OAS Council for the application of TIAR, mentioning an article such as No 6 which, in the first place, would not arouse too much discussion, and which would have the necessary votes. Everyone was aware that, if the hand was forced, in an attempt to move to Article 3, we would have met with a resounding defeat.

If OAS and TIAR have any value (something that must be discussed), they have it on the basis of what they can really do, and not how they put forth their organic cards or statements of principles as a possibility. In my view, their usefulness is minimal, but let us be honest, we would not settle anything if, evading the issue, we were to unleash our impotence against the United States, holding it to blame for the failure of the aforementioned organization and the reciprocal assistance treaty. It is obvious that the U.S. did what was within its power to destroy the Argentine efforts, but this does not conceal the fact that the Latin American countries were not willing to move from Article 6. Strictly speaking, they could not do so for a fundamental reason of specific weight.

Apropos of this, I have left for the end of this section the situation of Venezuela and Brazil. It is quite clear that the concrete support of the former and the attitude of the latter show a difference from the other countries. This fact only reaffirms the theory expressed here. Venezuela and Brazil are without doubt the most economically and politically powerful nations of the subcontinent, and direct their assistance (of a different nature) dissociated from any continental organization. Their reasons are different: in the case of Venezuela, consideration must be given to the problem of Guyana, plus the future common action in Latin America, which is not pertinent to discuss here. Brazil, for its part, has once again given proof of its diplomatic capacity: It took proper account of Argentina's willingness to undertake an act of this nature against the second-ranking power of the Western bloc, and added to its equation the capacity demonstrated by our Armed Forces and the advantage that Argentina has over it in the nuclear area. These are three items of the reality that it would be senseless to underestimate.

East-West

In short, the conflict that has arisen has brought the pragmatism versus ideologism polarity in the handling of all foreign policy up for discussion again. Up until now, it has not been stated with the proper clarity that the sovereign act undertaken by Argentina does not have any precedents in the bipolar world built at Yalta on the rubble of the Axis.

One could retrace history and examine its inmost secrets, and one will not find since 1945 a single instance of a nation that has challenged (not interests, either consciously or unconsciously) the bulwarks in the realm of security in the bipolar power system and has not attempted to rely on one of the two superpowers. In my opinion, this is essential and deserves an analysis.

A country can oppose the bloc to which it belongs ideologically or geopolitically. Argentina (and this is what is unprecedented) has come in direct confrontation with Great Britain and in indirect confrontation with the United States and nearly all the noncommunist European countries, without ceasing to claim Western values, and without even seeking Soviet support from a strategic standpoint.

Castro became ideologically and geopolitically subjugated to the USSR. Nasser, who is another example that might be used for comparison, preserved Egypt from the Russian influence insofar as its domestic policy was concerned, but formed an alliance of a geostrategic nature. Argentina has been the only nation to challenge, in fact, a hegemonic leadership within the Western bloc without asking for "asylum" or aid from the communist bloc.

That was not the intention of the sovereign act undertaken on 2 April, but this has been the result. Have we realized it? If we are aware of it, is it not senseless to continue claiming fidelity to a West made devoid of its essence, wherein only the quantity prevails? Because the West is in essence some philosophical and religious nations which are hardly compatible with Roosevelt, Eisenhower, Carter or Reagan; unless we believe that the West is a geographical region, which would mean repeating the mistake made since 1945. We are Western, but of the South, a fundamental fact that we never considered until reality destroyed the dream of an Argentina which some regarded as identical to Canada or the Netherlands, except for the fact of the difference in GDP or per capita income. Failing to understand that the difference between a Western nation of the South and the North does not involve certain economic coordinates means not understanding anything.

Note: Vicente Gonzalo Massot is assistant editor of the Bahia Blanca newspaper LA NUEVA PROVINCIA, and professor of General Political History II at the Argentine Catholic University.

2909

CSO: 3010/1716

NINE GOVERNORS RELINQUISH POSTS TO RUN IN NOVEMBER ELECTIONS

Brasilia CORREIO BRAZILIENSE in Portuguese 15 May 82 p 4

[Text] Nine governors turned over the destinies of their states to substitutes yesterday in order to run for the two houses of the national congress in the 15 November general elections.

The governor of Amazonas, Jose Lindoso, who is a candidate for the senate, transferred state power to Vice Governor Paulo Nery; Joao Castelo, of Maranhao, was replaced by the first vice president of the state legislative assembly, Deputy Ivar Saldanha; Virgilio Tavora turned over the command of Ceara to Vice Governor Manuel de Castro, to run for the senate; Tarcisio Burity leaves Paraiba in the hands of Vice Governor Clovis Bezerra; in Pernambuco, Marco Maciel, candidate for a seat in the chamber, turned over the position to the president of the state legislative assembly, Deputy Jose Ramos; in Alagoas--the exception--Guilherme Palmeira detached himself from the position on 15 March in favor of Vice Governor Teobaldo Barbosa; in Sao Paulo, Paulo Maluf, a candidate for the Chamber of Deputies, turned the government over to the vice governor, Jose Maria Marin; Ney Braga, who is running for a senatorial seat, turned over Parana to Vice Governor Hosken de Novaes; in Santa Catarina, Jorge Bornhausen, who is also running for the senate, was replaced by Vice Governor Henrique Cordova, Djenal Tavares de Queiroz, the vice governor of Sergipe, is holding the reins of state, having succeeded Augusto Franco, who is running for the Chamber of Deputies.

Parana

Curitiba--On turning over the position of state governor to Jose Hosken de Novaes yesterday, the Social Democratic Party (PDS) candidate, Ney Brage, reiterated his inclination to vie for the presidency of the republic in 1985 in direct or indirect elections. The former governor said that he will conduct his campaign this year, asking the voters for their votes anticipating the possibility of the presidential elections occurring by direct vote.

"If I win the election to the senate, I am then going to go all over the country soliciting votes and I will be a candidate for the presidency of the republic, whether in direct or indirect elections. Or then, I will support the candidacy that my party considers suitable," declared Ney Braga.

He said that he concedes the possibility of the next president of the republic being chosen from civil society, pointing out, however, that he does not make any distinction between that a military candidacy and said that he fits both categories.

"As Milton Campos said one day, I am a hybrid and am in a position to run whichever way it goes," he stressed.

Pernambuco

Recife--Marco Antonio Maciel transferred the position of governor of Pernambuco in the Campo das Princesas Palace yesterday afternoon to the president of the state legislative assembly, Deputy Jose Ramos, detaching himself from office to run for elective office in the November general elections. Marco Maciel will run for a seat in the Federal Chamber but he concedes also that he may be the PDS candidate for the Federal Senate.

Vice Governor Roberto Magalhaes also left his position. He will be the candidate of the Social Democratic Party (PDS) for the governorship of Pernambuco, having as his running mate Gustavo Krause, mayor of Recife, who transferred the position yesterday at 1600 hours to his successor Jorge Cavalcante.

The ceremony marking the transfer of the gubernatorial position began at 1545 hours before a large audience that overfilled the main hall of the Campo das Princesas Palace, the seat of the state executive.

Ceara

Fortaleza: Governor Virgilio Tavora yesterday resigned his position to run for the senate for the PDS and was replaced by Vice Governor Manoel Castro Filho, the political coordinator of the Ceara governor. The ceremony, which was held in the legislative assembly, was presided over by Deputy Antonio dos Santos and was attended by Minister of Mines and Energy Cesar Cals.

As soon as the ceremony ended, Virgilio Tavora traveled by special small jet to Brasilia and will remain out of the state for about 10 days. When he returns, he will begin his campaign and that of his son, Carlos Virgilio, a candidate for federal deputy for the Ceara PDS.

Santa Catarina

Florianopolis--Since yesterday morning, Henrique Helio Velho de Cordova, a Santa Catarina native from Sao Joaquin, 44 years of age, who has served in both the legislative and executive branches, is the new governor of Santa Catarina, replacing Jorge Bornhausen, who detached himself to run for a Federal Senate vacancy in the coming November elections. Cordova, who was vice governor, will remain as head of the Santa Catarina government until 15 March 1983.

The installation ceremony was held at 1000 hours in the legislative assembly in a solemn session presided over by the president of that chamber, Deputy Epitacio Bittencourt, which was attended by, among other officials, the vice governor of

Rio Grande do Sul, Otavio Germano; the chief justice of the Santa Catarina Court of Justice, Judge Francisco May Filho; the commander of the 5th Naval District, Vice Admiral Fernando Mendonca da Costa Freitas; the commander of the air base, Aviator-Colonel Mario Lott Guimaraes; the commander of the 14th Motorized Infantry Brigade, General Zaldir de Lima; the rector of the Federal University of Santa Catarina, Ernani Bayer; and the mayor of the capital, Francisco de Assis Cordeiro.

Maranhao

In a ceremony in the main hall of the Leoes Palace, Governor Joao Castelo transferred the governor's badge of office to his replacement, the president of the legislative assembly, Deputy Ivar Saldanha, 61 years of age, 32 of them spent as a legislator. Outside the Leoes Palace, a crowd unfurled banners expressing thanks to Joao Castelo who, in his speech, summarized his projects, which his secretaries estimated at more than 1,500.

Sergipe

Aracaju--Governor Augusto Franco began his last day yesterday as the governor of the state, attending mass at 0730 hours with family and friends at the Sao Judas Tadeu Church in the America district. Afterwards, he went to the Olympio Campos Palace to present the Benese savings account passbooks to the five highest scorers in the entrance examination competition of the Federal University of Sergipe and attended a meeting with councilmen from the interior.

Paraiba

Joao Pessoa--Vice Governor Clovis Bezerra assumed the governorship of Paraiba at 1800 hours yesterday, promising to pursue the administrative program of Governor Tarcisio Burity, who detached himself from the position to run in the elections for the Chamber of Deputies.

The apprehension reigning among the secretaries of former Governor Burity, of whom Clovis Bezerra had demanded the presentation of a letter of resignation next Monday at 0800 hours in the Redencao Palace, diminished during the installation speech of the new governor in the legislative assembly of Paraiba.

8711

CSO: 3001/153

OPPOSITION DOUBTS GOVERNMENT FORECAST OF ELECTION OUTCOME

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jun 82 p 3

[Article by "C. C. ": "Opposition Doubts Government Predictions"]

[Text] Brasilia--Deputy Ulysses Guimaraes is amazed at the estimates made by Planalto Palace and the PDS [Social Democratic Party] about the outcome of the upcoming gubernatorial elections. According to them, their candidates will win in 16 or 17 states, and the national president of the PMDB [Brazilian Democratic Mobilization Party] doesn't know whether to laugh or cry when he reads or hears these predictions. Traveling nationwide every weekend, from the North and Northeast to the Center and South, he asks whether his party and the PDS--or better, the government and the opposition--aren't living in two different worlds or in different countries. He wonders whether, due to one of these mystical, parapsychological, cosmic phenomena one or the other of the two--the government or the opposition--simply has the illusion it is coming in contact with the people. One or the other is certainly talking to imaginary, illusory or unreal citizens.

Ulysses cannot see how the government ticket can, even with the greatest concessions, elect more than a half dozen governors. In the large or small states, populous or not, that he has traveled, he finds the public in an open state of belligerency against authorities, large or small, so great are its complaints and grievances. From the president of the republic to the cabinet ministers (some in particular) and to the governors, all are implacably denounced by the public, which would condemn most of the candidates and their followers to electoral defeat, counterbalancing the inordinate use of the official machinery and public monies. To speak of unemployment, the high cost of living, the negligence and incompetence of the current government, the corruption and despotism, as well as difficulties with food, shelter and transportation is for the Sao Paulo congressman, whether he wants to or not, to arouse a veritable litany of quite unconventional adjectives used by the people against the authorities. There is no platform or public square anywhere in Brazil where this does not happen. How, then, is the government going to win in 16 or 17 states?

Thus, something seems to be wrong in the government's estimates, as seen from the opposition viewpoint. Its candidates could win in one or a few states, but not in nearly all of them. Ulysses Guimaraes would rather not discuss the situation in all states because it might hurt someone's feelings or discourage party workers in states where he thinks it would be hard to win. The moment requires the

greatest of confidence. But he expects election of the PMDB candidates to be possible or probable in Rio Grande do Sul, Parana, Sao Paulo, Goias, Minas Gerais, Rio de Janeiro, Mato Grosso do Sul, Espirito Santo, Pernambuco, Paraiba, Rio Grande do Norte, Piaui, Para, Amazonas and Acre. There are 15 right there, and he is confident about his party's chances in Santa Catarina, Bahia, Maranhao, Ceara, Alagoas and others.

Even allowing for the natural euphoria of the PMDB president, although he is more cautious and moderate than his adversaries, attempts at unbiased forecasts reveal that, at least for now, the two largest parties... [passage of about 70 words inadvertently torn in source document and hence illegible]... In Rio Grande do Sul, Parana, Sao Paulo, Minas Gerais, Mato Grosso do Sul, Goias, Pernambuco, Rio Grande do Norte, Amazonas and Ceara the PMDB should win. In Santa Catarina, Mato Grosso, Espirito Santo, Bahia, Sergipe, Alagoas, Ceara, Piaui and Maranhao victory is smiling on the PDS. Para and Paraiba are unknowns and Rio de Janeiro, unless we are mistaken, will go to the PTB [Brazilian Labor Party] of Sandra Cavalcanti....

It is natural that on the eve of great battles, and even during or after them, the contenders try to at least win the war of words. Just this week there are two examples: the British say they are close to final victory in the Falkland Islands, while the Argentines report they are about to drive their adversaries out. Israel speaks of peace for Galilee while invading Lebanon, and Syria compares the Jewish state of the 1980's with other states that in the 1930's fought wars for territorial gain. It becomes hard not only to reach a final conclusion--a herculean task--but even to learn the real facts, which cameras could record if only they could be used freely.

In the case of the gubernatorial elections it is the same thing. There is nothing more natural than candidates trying to influence undecided voters. But it is more than a little strange and peculiar that official calculations so exaggerate the victory of PDS hopefuls because, once open, the ballot boxes may indeed reveal a much different outcome, which would be bad not only for the defeated candidates but also for the forecasters....

Maranhao Succession

A recent public-opinion poll revealed that the image of former governor Joao Castelo of Maranhao, a senatorial candidate, is excellent. Of those interviewed, 13.8 percent considered his administration "very good"; 40 percent, "good"; and 39 percent, "fair." Nearly half of them thought Castelo's most significant work was the Sao Luis soccer stadium: 47.2 percent. A new hospital was mentioned by 6.2 percent. The ex-governor heads the list of senatorial candidates, with an 86-percent preference. The poll also reveals that 77.8 percent of the local population does not know what "linked voting" is.

These figures indicate that Joao Castelo has established his own leadership in Maranhao, for the time being linked to Senator Jose Sarney, but able to fly solo if necessary.

But it is necessary to dig a little deeper than do the figures: Will Sarney and Castelo be able to transfer their popularity to the candidate finally chosen to

run for state governor, Deputy Luis Rocha? Everything indicates that they can, but this is where the plot thickens. Or at least gets complicated for the PDS, because, despite the still-favorable percentages, the rise of Renato Archer as the PMDB candidate for Leões Palace is surprising. Starting with a nonexistent municipal base (in 132 municipalities, the opposition ran for only 12 mayoralties in 1978, winning 8, all of whom immediately went over to the government party), the PMDB managed to establish organizations in all of them. It will have candidates for mayor and councilmen throughout the state. But the opposition's message transcends municipal grass roots. Ulysses Guimarães has been to the state four times in recent months and every time he appears in discussions and rallies he gets wider attention by referring to national issues. Renato Archer contends that the PDS continues operating with the standards of 4 years ago, when the situation changed. And he has plunged into that situation boldly.

8834

CSO: 3001/164

ACTIVITIES OF JAPANESE PRIME MINISTER REPORTED

Scientific, Technical Cooperation

OW150739 Tokyo KYODO in English 0155 GMT 15 Jun 82

[Text] Brasilia, June 14, KYODO--Japanese Prime Minister Zenko Suzuki said Monday he and Brazilian President Joao Figueiredo agreed to work for early conclusion of a scientific and technical cooperation agreement between Japan and Brazil.

He told a press conference at a hotel in Brasilia Monday night (Tuesday morning Japan time) that he and Figueiredo also agreed at their meeting the same day that innovation of industrial technology should be promoted to revitalize the world economy.

Suzuki and Figueiredo discussed Japan-Brazilian economic cooperation and international problems at the meeting.

In extending assistance to Brazil, the prime minister said both nations should make efforts to find conditions capable of implementing such cooperation, and added that the maintenance of trust between labor and management is one of the conditions.

"I always consider it important (to have such conditions completed) in (establishing) economic cooperation with other countries," Prime Minister Suzuki said.

He made the remark in response to a question whether he considered it difficult for Japan to make investments in Brazil unless there is progress in stability of labor-management relations and improvement in Brazil's social structure.

Loan Agreement

OW150731 Tokyo KYODO in English 0022 GMT 15 Jun 82

[Text] Brasilia, June 14, KYODO--Japan agreed Monday to extend Yen 12,021 million (about Dollar 48 million) loan to help Brazil develop an irrigation program in regions containing acid soil called "cerrado."

The agreement came at a meeting Monday morning (Monday night Japan time) between visiting Japanese Prime Minister Zenko Suzuki and Brazilian President Joao Baptista Figueiredo.

The Brazilian project is designed to turn unproductive acid soil lands into green lands through irrigation.

The meeting was attended by Agriculture, Forestry and Fisheries Minister Kichiro Tazawa and Brazilian Foreign Minister Ramiro Elysio Saraiva Guerreiro.

Under an ambitious project, Brazil plans to develop a 400,000-hectare cerrado area in three or four years for production of wheat, soybean and coffee.

The government has asked Japan for a Dollar 400 million loan to help finance the projects, including construction of large-sized sprinklers for the cerrado land.

The two leaders also agreed to start at the earliest date bilateral negotiations for conclusion of an agreement for promotion of science and industrial technology cooperation.

During the talks, Suzuki explained to the Brazilian president Japan's stand seeking peaceful settlement of the Falkland Islands dispute.

He also briefed the president on the outcome of the just-ended Versailles summit meeting of seven industrially-advanced democracies, and the second special session of the United Nations General Assembly on disarmament now underway in New York.

He also stressed that Japan would exert utmost efforts to settle the South-North issue by promoting the mutual economic cooperation between developed and developing countries.

The two leaders also exchanged views on the present situation in Asia.

The prime minister will leave here for Honolulu after a courtesy call on Jarbas Passarinho, president of the Federal Senate, and Nelson Marchezan, president of the Chamber of Deputies Tuesday.

At a dinner hosted by the Brazilian president, Prime Minister Suzuki said Japan-Brazil relations are "strong" in Central and South America.

He said Japan attaches importance to the consistency and continuity in its diplomacy toward the Central and South American region and strives to maintain traditional friendly ties.

The prime minister also said that he was happy to reach accord with the president on the need to conclude an agreement on Japan-Brazil cooperation in the field of science and technology.

Joint Statement

PY190022 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Jun 82 p 16

[Text] Brasilia--Close advisers of Japanese Prime Minister Zenko Suzuki yesterday said that the Japanese Government and businessmen are concerned over the way Japanese loans are used in Brazilian projects. Suzuki yesterday ended his 3-day visit to Brazil and returned to Tokyo, with a stopover in Honolulu.

Shortly before Suzuki's departure, his advisers conveyed to Brazilian newsmen their concern over the utilization of Japanese loans in Brazil. They said their government was not satisfied with the administration of the Japanese loans, especially those earmarked for the third stage of expansion of the Minas Gerais Iron and Steel Mills, Inc. [Usiminas].

The above was indirectly confirmed by Suzuki's spokesman Teixo Watanabe by noting that the Japanese Government believed that from now on "the actual use of money (earmarked for loans) will have to be discussed before we start projects with the Brazilians." The administration of resources will thus be considered in evaluating projects with Brazil, the sources said.

Itamaraty spokesman Bernardo Pericas noted, however, that if the issue of financing was raised during the Suzuki visit "it must have been in talks held with economic authorities because Japanese concern was not expressed during diplomatic talks."

The Japanese prime minister left Brazil late yesterday morning and a joint press statement on the talks he held with Brazilian officials was released in the afternoon.

The statement notes that Suzuki gives assurances that "the Japanese Government will promptly resume negotiations aimed at concluding a cooperation agreement in the field of science and technology in response to a Brazilian request."

Suzuki's spokesman noted, however, that he could not understand Brazil's insistence on discussing an agreement on technology. In his opinion, "Brazil is kept permanently updated on Japanese technological progress through the 650 Japanese enterprises which are operating with Brazilian enterprises."

The statement also outlines the issues discussed by Figueiredo and Suzuki and notes that they "expressed their conviction that the strengthening of the economy of developing countries will be essential in avoiding both crises and instability in the international economic system."

The statement then discusses Japanese-Brazilian relations noting that "the two heads of state conveyed their agreement over the flow of financial resources to Brazil." It adds that \$500 million in loans will be granted by Japanese enterprises which are interested in the Carajas iron ore project, to which the Brazilian Government assigns the highest priority."

The statement adds: "The president and the prime minister exchanged views on the progress of several large-scale undertakings which are already under way within the framework of Brazilian-Japanese cooperation, for instance Usiminas, the Tubarao Steel Mill, the Brazilian Aluminum Corporation Inc. and Alunorte which engage in the production of aluminum. They acknowledged that the implementation on schedule of these projects will further strengthen mutual confidence between the two countries."

Suzuki's spokesman also confirmed that President Figueiredo had accepted the prime minister's invitation to visit Japan in the near future at a date to be agreed upon.

CSO: 3020/137

AFRICA GROWING IN IMPORTANCE AS ECONOMIC PARTNER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 May 82 p 28

[Text] The African continent is assuming unprecedented importance as a Brazilian economic partner. The reason is that it has millions of potential consumers of food products and manufactured goods which Brazil produces that is much to the liking of the Third World, that is, with low aggregate technology. Politically, in addition to swelling the ranks of those who disagree with U.S. policy toward the poor countries, the Africans are ready to strengthen ties of friendship with whoever "rejects colonialist and neocolonialist ideas."

That is what became clear yesterday during the Brazil-Nigeria-Ivory Coast-Senegal Trade Relations Seminar sponsored in Sao Paulo by the Foreign Trade Study Center Foundation. Diplomatic representatives of the three countries did not refer directly to the conflict in the South Atlantic but they stressed the ever-greater need for political-economic coordination among the members of the Third World.

On the economic level, Nigeria is interested in the Brazilian technology of producing soybean (they want everything from improved seed to oil and soy meal industries) and this seems to be a channel for the Brazilian exporters to compensate for a reduction of imports by that country in view of the drop in oil prices. Brazilian-Nigerian trade has developed from \$22 million to \$1.5 billion in the last 10 years with relative equilibrium in the trade balance, which showed a favorable balance of \$42 million for Brazil last year. The Nigerians sell to Brazil mainly crude oil and natural rubber and buy from Brazil manufactured goods in general (98 percent) and a few basics such as peanut meal, tea and salt. With a population of 100 million, 20 percent annual inflation and a foreign debt of \$2.7 billion, Nigeria last year lost 30 percent of its exchange revenue as a result of the drop in oil prices.

The Ivory Coast is interested in manufactured goods in general. The Ivory Coast--a population of 8.2 million people--last year conducted the equivalent of \$4.6 billion in foreign trade (\$2.5 billion in imports and \$2.1 billion in exports) but bought only \$16 million worth from Brazil, in farm machinery, paper, automobiles, ground-grading machinery, etc.

Senegal is in the process of merging with Gambia to form Senegambia, with an area of 212,000 square kilometers and 6.6 million inhabitants whose current per capita income is \$360. The country lives now almost exclusively from the export

of peanuts and by-products (75 percent of its revenue) but it has been developing the Fifth National Agricultural Plan since 1971 with the aim of diversifying its sources of income, increasing the production of millet and sorghum (8 percent), rice (19 percent), corn (25 percent) and fisheries (7 percent). The Senegalese are interested in manufactured goods in a general manner and food products. Local officials believe that this year they may reach a level of agricultural production equivalent to 80 percent of domestic needs.

8711

CSO: 3001/153

FIGUEIREDO'S HEALTH SAID TO BE 'EXCELLENT'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 May 82 p 6

[Dispatch by special correspondent Jose Fonseca Jr]

[Text] Cleveland--President Figueiredo's state of health was considered to be "excellent" by cardiologist William Sheldon after 4 hours of rigid examinations made yesterday morning in the Cleveland Clinic. General Figueiredo showed significant improvement since the heart attack suffered last year, especially because he is strictly following the medical advice of daily physical exercise; furthermore, he has stopped smoking and reduced his weight, the doctor explained.

"I am very pleased with you and with myself," said General Figueiredo, smiling, after he received the compliments of William Sheldon, the same one who took care of him in Cleveland last year, together with Dr Irving Franco. Two blood tests were taken, an electrocardiogram, physical stress tests and studies of the heart-beat. William Sheldon commented that, if he wishes, General Figueiredo could even resume the same pace of activity carried out normally before he suffered the heart attack because he can be considered a person in a normal condition of health, but he suggested that the current pace should be maintained. According to the cardiologist also, if Figueiredo wishes, he can intensify his participation in the election year political campaign, taking care to exercise daily, maintaining his weight and not smoking.

After the examination, Doctors William Sheldon and Irving Franco gave General Figueiredo a detailed report on his state of health in the presence of his personal doctors, Newton Matos and Cristovao Dutra, and it was decided that, within the same period of time, that is, a year from now, Figueiredo should again undergo another general examination in order to keep the development of his recovery from the heart attack under control. Those new examinations may be conducted in Cleveland or in Brazil, but for the time being nothing was decided.

Figueiredo arrived at the Cleveland Clinic the night before last accompanied by Mrs Dulce; his two sons, Paulo Renato and Joao; and the chiefs of the Military Household and the National Intelligence Service (SNI), Generals Danilo Venturini and Octavio Medeiros, since the other minister who accompanied him on the trip to the United States went to New York or remained in Washington from where they will journey to Cleveland today, rejoining the retinue for the return to Brasilia, with departure scheduled for 1100 hours. The presidential aids pointed

out that Figueiredo has been strictly following the doctors' advice since the first examination in Cleveland last year and, for that reason, his recovery was considered above the average expected by the doctors themselves. The president also continues to take the same preventive medication consisting of blocking and antiarrhythmic pills. Lodged on the eighth floor of the Clinic, Figueiredo left for the examination room at 0800 hours and returned shortly after noon, although the results were not officially revealed until 1730 hours by spokesman Carlos Atila and by Dr William Sheldon, himself.

Controlled Activity

The presidential aides were particularly pleased because Dr Sheldon attributed the success of the president's recovery in part to his following medical advice, which has been considered difficult in principle because of General Figueiredo's restless temperament. Carlos Atila said that the present pace of activities will be maintained because there is no way to expand them. Figueiredo is traveling almost every week and only plans to intensify the visits to the states as the election campaign nears the end. In the meantime, the aide recalled Dr Sheldon's words and said that Figueiredo is in perfectly good health to face the rigors of a political year.

Since he returned from Cleveland last year, General Figueiredo has been following the medical advice daily as regards physical exercise, and he does that even when he is traveling because he rises early. In Torto Grange, he walks more than 3 kilometers every morning, rides horseback and also does muscular exercises, in addition to staying on a diet that will not allow him to gain weight. Cigarettes continue to be strictly prohibited.

Figueiredo went for the medical examinations in blue jogging togs, attire that he began to use during his period of convalescence. At night, he was invited to dinner with Dr William Sheldon, his medical team, the directors of the clinic and members of his retinue in the Cleveland Art Museum. Dr William Sheldon was especially invited to the banquet at the White House given by President Reagan in honor of Figueiredo, because the two have become friends.

President Figueiredo's retinue is scheduled to land in Brasilia at 2045 hours.

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CSO: 3001/153

INFORMAL TALKS HELD TO EXPAND TRADE WITH ARGENTINA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jun 82 p 22

[Text] Brasilia--Minister Jose Botafogo Goncalves, chief of the international staff of the Planning Ministry, will travel to Buenos Aires on 16 June to follow up on informal understandings with Argentine authorities seeking areas of common interest that could lead to better integration of bilateral trade and more effective cooperation among businessmen of the two countries.

According to the minister, since overcoming the political differences that were separating Brasilia and Buenos Aires--eliminated by signing the Itaipu agreement and through the meetings of President Figueiredo with former president Viola, followed by Galtieri's visit to Brazil while still a military minister--possibilities were opened to broaden cooperation in ways not covered by the usual mechanisms of negotiation and operating in both directions.

The idea of seeking new fields of cooperation through integrating the economies of Brazil and Argentina was proposed by President Figueiredo and accepted, in principle, by the Argentines. Later, meetings with then foreign minister Oscar Camilion, who had left the Argentine embassy in Brasilia, confirmed the interest of Buenos Aires.

A first meeting between the informal groups created to expand bilateral contacts was held in Buenos Aires on 16 and 17 January. In April the Argentines came to Brazil and now the Brazilian group is returning to Buenos Aires with Botafogo Goncalves of SEPLAN [Planning Secretariat], the chief of the international staff of the Finance Ministry and the chief of the economic department of Itamaraty [Brazilian Foreign Affairs Ministry].

Possibilities

According to Planning Minister Delfim Netto's international adviser, it would be an exaggeration to expect that, even in the long run, Brazil and Argentina will form a common market as the Europeans have done. However, the thrust is in that direction and it may be possible to eventually create institutional instruments capable of regulating this relationship in the commercial sphere.

As the intention is neither to compete with already-existing trade mechanisms or to replace them, the Brazilian and Argentine groups are not fostering negotiations

in the formal sense nor are they insistent upon the respective positions of their countries. They work informally, identifying areas of cooperation and integration and, if they encounter incompatible positions, they look for other fields where it is easier to reach a consensus.

One of the areas being looked into is bilateral transportation, where there are problems in both land and sea transport. What is under discussion is a way of expanding negotiations on maritime freight to also involve the users of this transport --that is, the exporters as well as the shipowners. The interest of the latter, obviously, is in obtaining constantly larger freight-rate increases.

Another area where integration between the business firms of the two countries is possible is that of exporting services. The idea to be developed in future discussions is the possibility of Brazilian and Argentine firms forming partnerships to work in the two markets and also abroad, participating jointly in international bids.

In regard to bringing together Brazilian and Argentine businessmen, the intention of the two government groups is to foster meetings among business leaders and encourage operation of the Brazil-Argentina Business Committee, whose chairman is Brazilian businessman Olavo Monteiro de Carvalho.

As the objective is not a competition for one country to sell more than the other, but an equilibrium leading to an aggregate increase in the level of bilateral trade, the Brazilian and Argentine businessmen may meet to identify points of cooperation to benefit both countries without being concerned that one of them must furnish raw materials and the other only industrialized products.

To integrate the two economies effectively, trade must be stimulated at all levels, involving primary as well as manufactured products from both sides.

8834

CSO: 3001/164

CFP PROJECTS GRAIN PRODUCTION TOTALING 55 MILLION TONS IN 1981-82

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 May 82 p 29

[Text] Brasilia--According to the new crop forecast released yesterday by the Production Financing Commission (CFP), grain production for 1981-82 will be 55 million tons. The previous estimate, made at the beginning of the harvest was 56 million tons, the reduction being attributed by the CFP principally to the drop in the Rio Grande do Sul crop from 15 million to 13 million tons.

The estimated production of rice (9.7 million tons), beans (2.9 million) and corn (23.8 million) is higher than the last projection, compensating in part for the loss of soybean and makes it possible to anticipate a favorable situation in terms of domestic supply. The consumption of those three products is estimated at 9.1 million tons (rice), 2.56 million (beans) and 22.5 million (corn), leading to the expectation that there will be surpluses for export. In the case of beans, the surplus should be 340,000 tons.

The stocks of rice and corn are calculated at 1,488,000 and 1,400,000 tons, respectively, representing a very favorable factor as regards the supply of those two products.

Productivity

Although the production of soybean is sufficient to take care of consumption, according to the CFP, this year's harvest decreased on the order of 2.4 million tons compared to last year, when 15.4 million tons were harvested. The principal factor indicated by the CFP to explain that behavior is the drop of productivity of Rio Grande do Sul agriculture which declined from 1,418 kilos per hectare to 1,180 kilos as a result of the drought which lasted from March until mid-April. According to the CFP, the long-cycle varieties were affected during that period; the short-cycle varieties were affected by the January drought.

In addition to soybean, only the peanut production will be lower than the last crop due to excessive rains during harvest time; whereas, 320,400 tons were harvested in 1980-81, 310,000 tons are being expected now. The production of raw cotton, 1,116,000 tons of which have been harvested, will be 1.3 million tons. The wheat harvest will also be higher than last year's going from 2,217,400 to 2,900,000 tons. According to the experts, that is mainly due to the new system of correcting the purchase price of the product, which is now readjusted in terms of the exchange rate variation in addition to a Basic Cost Figure (VBC) which is considered satisfactory. However, the CFP reported that the reaction of the Sao Paulo producers was the contrary, inasmuch as those farmers consider both the VBC and the purchase price as insufficient to encourage planting.

PRODUCTS	79/80	80/81	Percent	81/82	Percent
Grains					
Rice	9.637,7	8.638,3	-10	9.700,0	12
Center-South	7.746,7	7.297,6	- 6	7.204,8	- 1
North-Northeast	1.891,0	1.340,7		2.495,2	
N/NE					
Oats	75,5 ⁽¹⁾	89,7	19	100,0	11
Rye	10,5 ⁽¹⁾	19,6	87	25,0	28
Barley	85,0	141,7	67	155,0	9
Beans - Total	1.895,2	2.407,0	27	2.900,0	20
1st Crop	1.000,0	1.274,0	27	1.488,0	17
C/S	791,8	1,156,0	46	1.397,0	21
N/NE	208,2	118,0	-43	91,0	-28
2nd Crop	895,2	1.133,0	27	1.412,0	25
C/S	561,1	695,0	24	705,0	1
N/NE	334,1	438,0	31	707,0	61
Corn	20.212,5	22.554,5	12	23.836,7	6
C/S	19.039,9	21.669,0	14	11.073,0	2
N/NE	1.172,6 ⁽¹⁾	885,5	-24	1.763,7	99
Sorghum	182,3	228,1	25	250,0	10
Buckwheat	27,0	45,0	67	60,0	33
Wheat	2.742,7	2.217,4	-19	2.900,0	31
Subtotal	34.868,4	36,341,3	4	39.926,7	10
Oleaginous					
Peanuts - Total	524,6	320,4	-39	310,0	- 3
1st Crop	429,4	429,5	-42	236,7	- 5
2nd Crop	95,2	70,9	-26	73,3	3
C/S	90,8	67,0	-26	59,3	-11
NE	4,4	3,9	-11	14,0	259
Rapeseed	2,7	12,4	---	15,0	21
Sunflowerseed	23,3 ⁽²⁾	35,1	51	40,0	14
Castorbean	302,3	263,8	-13	320,0	21
C/S	144,4	80,7	-44	95,7	19
NE	157,9	183,1	16	224,3	22
Linseed	30,0	30,0	---	35,0	17
Soybean	14.887,4	15.484,8	4	13.076,0	-16
Raw Cotton	1.137,0	1.116,0	- 2	1.300,0	16
C/S	819,7	867,4	6	844,8	- 3
NE	317,3	248,6	-22	455,2	83
Subtotal	16.907,3	17.262,5	2	15.076,0	13
TOTALS	51.775,7	53.603,8	---	55.002,7	

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CSO: 3001/153

PROBLEMS RELATED TO EXPORT DIFFICULTIES EXAMINED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 82 p 34

[Commentary in the column "Economic News": "Exporting Difficulties"]

[Text] As the end of the second quarter of the year approaches, the causes of the disappointing performance of Brazil's exports are becoming clearer. As several analysts of our foreign trade have pointed out, it is not just a matter of recession in the United States, high interest rates or low commodity prices, but of difficulties faced by Brazilian products in some of the nation's leading markets in Latin America, Africa and East Europe.

Despite the market shrinkage in the developed countries and the frequent expressions of protectionism in these economies, during the first quarter of 1982 they absorbed over half of Brazil's exports, while Latin America's share was reduced from 19 percent last year to 14 percent this year. According to data reported by the press in recent days, sales to Latin American, African and East European countries fell so much that the nation lost about \$421 million of revenue in the first quarter.

Argentina, our principal trading partner in Latin America, had imported products worth \$270 million in the first quarter of last year. During the same period this year it imported only \$120 million. During the second quarter the conflict with Great Britain led to a number of uncertainties about Brazil-Argentina trade in view of the expectation of greater controls over imports that are likely to be imposed by Argentine authorities.

Chile also began restricting Brazilian products, due to its large trade deficit with Brazil, and Venezuela, another important buyer of Brazilian merchandise, began facing problems after oil prices fell on the international market.

In Africa, Nigeria's restrictions are well known, also affected by the world situation in the petroleum market which has reduced that nation's importing capacity. In almost all Third World countries balance-of-payments problems caused by high interest rates in the United States and Europe are also hampering the Brazilian export effort.

In East Europe the situation--although favorable to Brazil in accounting terms--is not good, due to the liquidity crisis of the nations in that region, which owe Brazil about \$2 billion. Brazilian trade with these countries is done by means of

fiat money (bookkeeping money in which bilateral trade is accounted for), which creates some problems. One solution would be increased Brazilian imports of East European products, but there are obstacles in the area of technical assistance and supplying replacement parts. Another solution would be negotiating such credits in the international market, depending upon the cost.

In summary, the problems faced by Brazilian exports this year were caused essentially by the difficulties of developing countries in Latin America and Africa, among which are our principal trading partners in such regions. In East Europe the market is good, but there is no possibility of receiving hard currency in exchange for exported goods except in an indirect way.

This means that, contrary to expectations, the industrialized countries have been Brazil's best markets and that, in fact, there is little point in increasing incentives for our foreign sales.

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CSO: 3001/164

DELEGATION HERE TO DISCUSS OPPORTUNITIES IN IRAQI MARKET

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jun 82 p 31

[Text] Brasilia--The petrochemical, construction, textile, food, paper and cellulose, cement, iron and steel and minerals sectors are those attracting most attention from the Iraqi mission led by Barrak Said Ira that has been in Brazil since Sunday preparing the itinerary and schedule of meetings for Iraqi Industry and Mineral Resources Minister Tahir Tawfiq with Brazilian authorities beginning next Monday.

The mission, which spent yesterday with the ministers of transportation, communications, agriculture, education, foreign affairs and industry and commerce, believes that Brazil's contribution to Iraqi development can be provided most quickly and advantageously in the auto-parts and construction sectors. During the next 5 years the Iraqi government will install its automobile industry, intended to meet Middle East demand, and plans to create, 400 kilometers from Baghdad and near the city of Mossul, considered a development pole, another city intended for 300,000 inhabitants.

Construction of this city, which is to provide urban infrastructure to support the automobile industry, similarly to Sao Paulo's ABC [refers to industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul], will create an opportunity for sizable contracts for Brazil's automobile, auto-parts and iron-and-steel industries. The Iraqi delegation informed Industry and Commerce Minister Camilo Penna that the development pole for installing the automobile industry is budgeted for \$10 billion and is to be finished within the next 6 years.

The Iraqi automobile industry will begin by manufacturing 135,000 passenger cars, 15,000 tractors and 25,000 trucks annually. The Iraqi representatives assured the Brazilian government that their country intends to import a large volume of Brazilian goods during creation of the development pole.

Zambia

Zambia wishes to establish agricultural trade with Brazil and receive scientific cooperation in producing cattle and foodstuffs, that African country's minister of works and supply, Haswell Y. Mwale, told Agriculture Minister Amaury Stabile yesterday. Brazil is installing an embassy in Zambia and trade relations between the two countries are weak. Last year Brazil bought 6,234 tons of bars for copper wire worth \$11.6 million and exported coffee beans and carnauba wax worth \$359,000.

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CSO: 3001/164

TRADE SURPLUS REACHES \$223 MILLION BY MAY 1982

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jun 82 p 27

[Text] Brazil continues to export less than last year but, despite the 7.3 percent decline in its sales through May in comparison with the same period in 1981, the trade balance accumulated a surplus of \$223 million from January through May compared with a deficit of \$464 million in the same 5 months of last year. In the 12-month period of June 1981 through May 1982 the Brazilian trade balance had a surplus of \$1.881 billion.

The balance is in surplus because the country is spending less on imports. Through May Brazil's purchases in foreign markets fell 14.3 percent. From January through May Brazil exported \$8.280 billion and imported \$8.057 billion compared with \$8.935 billion and \$9.399 billion, respectively, in the same period last year.

The CACEX [Foreign Trade Department of the Bank of Brazil] data were reported yesterday by the secretary general of the Finance Ministry, Carlos Viacava, in announcing the 12th [sic; 13th?] consecutive monthly trade surplus, which was \$47 million in May. Until the day before yesterday expectations--including those of government officials--were that the balance would show its first deficit last month, after 11 [sic; 12?] consecutive surpluses. In May of last year the balance had a \$12 million surplus.

As Viacava himself admitted, the threat of a budget deficit in May was averted because the government managed to delay arrival of some oil tankers in Brazilian ports. "The surplus was small but if one or two more tankers had arrived the balance would have been changed," he asserted.

Unlike February, March and April, when the value of petroleum imports declined substantially compared with the same period last year, in May this expenditure increased 2.2 percent, although for the 5 months of this year it was still 9.6 percent less than that of the same period last year. Through May the nation spent \$4.003 billion on petroleum imports, compared with \$4.428 billion in the same 5 months of 1981.

Without Incentives

Viacava said the government will not adopt any new measure to stimulate exports and he reaffirmed that the expectation of exporting \$26 billion continues to be the goal,

although he acknowledges it will be hard to reach. He even admits that exports will not be greater than the \$23.29 billion sold last year.

This poor performance of exports--last month alone the decline was 6.4 percent (Brazil sold \$1.750 billion, while in May last year it had exported \$1.869 billion)--is due to the same negative factors that are persisting and have worsened since the beginning of the year: widespread fall in commodity prices and even of some manufactures such as canned beef, shrinkage of markets, worsening protectionism, closing of important markets for Brazil because of financial reasons (Nigeria, Mexico, Venezuela, Chile, Poland and Argentina) and lack of surpluses, especially of soybeans and derivatives. Soybean-complex sales during the early months of last year were responsible for about \$500 million of the nation's exchange receipts. Exports of this item will not exceed \$2.5 billion this year, compared with \$3.2 billion last year.

Imports

The decline in imports for January through May was less than that for January through April (15.8 percent). This resumption of imports, however, does not alarm the government, according to Viacava, who promised that nothing will be done to restrain the advance of foreign purchases, unless "there is an exaggeration." The expectation of government authorities is that imports will remain on the same level as last year, \$22 billion, or slightly less, the Finance Ministry secretary general reported. This figure may be \$21 billion, Viacava estimated, in noting that "from now on, monthly imports will tend to be equal to those of June through December last year."

Agricultural Prices Should Recover

Shortly before the official announcement of the trade-balance figures, Finance Minister Ernane Galveas asserted in Rio de Janeiro that he thought the May surplus "might" be as high as \$50 million, adding that in the second half of the year prices for exported agricultural products should improve, "because they have reached such low levels that further declines would be unlikely."

CACEX Director Benedicto Moreira, however, was more optimistic due to some signs yesterday in leading international commodity exchanges, where prices were beginning to recover. He asserted that this recovery must be a reaction to the Versailles meeting of government leaders from the seven leading industrialized countries, where there appeared to be a prospect of lower interest rates in financial markets.

According to Benedicto Moreira, with interest rates as high as they are, "nobody is building up stocks, buying only what is needed for immediate consumption." Due to lower demand, commodity prices are depressed. This has been the market situation until now. There is some hope for a reversal, but if that should not take place Brazil will be left in a very difficult situation, in the CACEX director's opinion. The finance minister, meanwhile, wants to wait a few more days to be sure whether this trend will continue.

Brazil's Foreign Trade (in Millions of Dollars)

<u>Category</u>	<u>May 1982</u>	<u>May 1981</u>	<u>Percent Change</u>	<u>January through May 1982</u>	<u>January through May 1981</u>	<u>Percent Change</u>
Exports:						
Total	1,750	1,869	- 6.0	8,289	8,935	- 7.3
Coffee	170	158	+ 7.6	867	864	+ 0.4
Others	1,580	1,711	- 7.7	7,413	8,071	- 8.2
Imports:						
Total	1,703	1,857	- 8.3	8,057	9,399	-14.3
Petroleum	880	861	+ 2.2	4,003	4,426	- 9.6
Others	823	996	-17.4	4,054	4,973	-18.5
Trade Balance	+47	+12		+223	-464	

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CSO: 3001/164

AEROSPACE TECHNOLOGY DISCUSSED WITH FRENCH EXPERTS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Jun 82 p 17

[Text] Sao Paulo--The director of the Aerospace Technology Center (CTA), Air Force Gen Lauro Ney Menezes, asserted in Sao Jose dos Campos yesterday, at the opening of French Aerospace Week in Brazil, that our nation now has the scientific and technological elements "that put it in the setting of the international multipolarization of power."

The meeting of the most highly accredited scientists in the French and Brazilian aerospace field sponsored by CTA and GIFAS (Group of French Aeronautics and Space Industries), according to the vice president of the latter organization, "is an exchange that requires no commercial compensation and has no financial cost."

High Technology

Scientists and researchers from the major French manufacturers of aircraft, helicopters, satellites and rockets led the first four conferences yesterday in the CTA, which dealt with highly sophisticated topics such as "The Modern Aeronautical Technology of Composite Materials" and "Launching and Utilization of Satellites."

The presentations were accompanied by abundant explanatory material about the techniques developed and used in France. According to the CTA director, Air Force Gen Lauro Ney Menezes, the week provides "an opportunity for the Brazilian scientific community to learn about the latest word in French science and technology."

But he stressed that Brazil "has acquired the capacity and competence to repay everything it receives in terms of technology." He also explained that the week is part of an agreement for technology transfer signed between Brazil and France which provides for training 100 Brazilian specialists in the aerospace sector within 3 years and the visit of French teachers and researchers to administer 15 high-technology courses in the CTA.

According to him, the greatest priority of this interchange is to develop Brazilian human resources in higher technology, the areas of major interest being those of computer science, cryogenics and access to the technology of composite materials and combined materials.

The president of GIFAS, Professor Pierre Sufflet, recalled that Brazil is rapidly acquiring the status of a technological partner "thanks to its great potential for cooperation in the technological as well as the industrial field," as evidenced by the French purchases of EMBRAER [Brazilian Aeronautics Company] aircraft and installation in Brazil of HELIBRAS [Brazilian Helicopters, Inc], which has equity participation by the French Aerospatiale firm.

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CSO: 3001/164

BUSINESS SECTOR EXPRESSES SUPPORT FOR NEW GOVERNMENT

Bogota EL ESPECTADOR in Spanish 2 Jun 82 pp 1-A, 9-A

[Article by Jaime Viana: "The Trade Associations Back New Economic Policy"]

[Text] Yesterday, the country's business sector pledged to support the government that will be headed by Belisario Betancur Cuartas starting on 7 August, and its most prominent spokesmen unanimously declared that they are willing to cooperate with the new administration immediately.

At the same time, they voiced complete confidence in the economic strategy outlined in the public squares, to be put into effect by the president-elect, after acknowledging his virtues and ability as a chief executive.

A poll taken by EL ESPECTADOR to "gauge" the position of the private sector trade associations toward the new government disclosed the purpose that has inspired the leaders of industry, production and commerce, to begin working "for the country's prosperity."

The presidents of FENALCO [National Federation of Businessmen], CAMACOL [Colombian Chamber of Construction], the National Coffee Exporters Association, ACOPLASTICOS [Colombian Plastics Industry Association], ACOPI [Colombian Small Industries Association], FEDEMETAL [Colombian Metals Industries Federation] and AFIDRO [Pharmaceutical Manufacturers Association] made the following statements to this newspaper's economic staff:

Support Without Waivers

The president of FENALCO, Juan Martin Caicedo Ferrer, declared: "In view of the difficulties besetting the country in general, and the productive system, we spokesmen for the economic sectors expressed the intention, which I reiterate today on behalf of FENALCO, to offer full cooperation to the new government, without waiving the sound, democratic operation of the trade associations, which consists of making candid, timely comments on the country's future and the development of the economic and social policy."

The commercial sector executive remarked that this cooperation offers a kind of "institutional balance" wherein political forces guide and devise the

nation's courses of action, receiving the excellent advice and pragmatic views that may be contributed by large, medium and small-sized businessmen through their trade association institutions.

In a message which he addressed to the president of the Colombians, Caicedo Ferrer stated: "My association believes that the beginning of your government might well become an excuse, a good excuse, for the country to undertake solutions which cannot tolerate any waiting, through major national commitments agreed upon by all its forces."

In a kind of "statement of petition," the president of FENALCO cited, among those urgently required solutions, the changing of the system based on monetary orthodoxy, which has sought to curb inflation only through restrictive devices and not by expanding production; the revision of a labor legislation which works not only against employment, but also against the worker himself, as in the case of the retrospective handling of the layoffs; the recovery of the rural areas without waiving industrial development, for the purpose of producing and reducing the prices of the staple items for Colombians; the changing of a tax structure which has discouraged the productive system and fostered evasion and lack of ethics; and the revision of the structures of the state apparatus, so that the latter will not continue to grow to the detriment of the rest of the country, and so that it may attain higher levels of efficiency."

Impetus for Development

The president of the Colombian Chamber of Construction (CAMACOL), Guillermo Gomez Estrada, in turn, maintained that the difficulties confronting Colombia necessitate the support of all citizens in the task of devising and implementing a strategy that will make them possible to resolve.

Gomez Estrada, who addressed a message to Betancur Cuartas in which he congratulated him on the favorable results that his name received in the presidential elections on Sunday, gave a reminder that, in the so-called "declaration of Girardot," the heads of the trade association front had offered complete backing and cooperation in the task of government to be carried out by the citizen who would occupy the presidency of the republic.

In his message to the new head of state, the spokesman for the builders said: "Since you have been elected to perform that difficult task, I wish to reiterate to you, on behalf of CAMACOL, the unchangeable desire which inspires it in this respect."

Gomez Estrada stressed the fact that the capacity for service, the desire to succeed that moves him and the traditional of respect for democratic liberties that have typified the life of Belisario Betancur "warrant our confidence that his governing endeavor will be reflected in a great impetus for the development of Colombia and in an improvement in the welfare of its inhabitants."

Peace and Progress

The president of the National Coffee Exporters Association (ASOEXPORT), Guilberto Arango Londono, assumed a position similar to that of his association colleagues, announcing his sector's backing to insure the success of the intentions of the Betancur Cuartas government.

Arango Londono sent the following message to the president-elect:

"Your irreproachable political record, your most ethical personal conduct and the patriotic goals of your national program constitute a guarantee for peace of mind and a cause for confidence among all Colombians.

"On my own behalf, and that of the association which I head, I am pleased to convey to you our patriotic support and our desire to cooperate for the success of your notable intentions. Your excellent understanding of the coffee problems and the propositions in your program regarding what your administration intends with regard to the various aspects of the coffee agroindustry deserve our sincere support. We pray that, with the help of Divine Providence and through the unity of Colombians which you invoked throughout your campaign, Colombia may be an example of peace, progress and social justice."

Small Industry

Small and medium-sized industry, represented by ACOPI, also expressed its backing for the chief executive elected last Sunday.

Francisco de Paula Ossa Uribe, president of ACOPI, offered Betancur Cuartas that trade association's cooperation in arriving at the necessary policies and achieving the definitive takeoff of small and medium industry.

With regard to the economic program proposed by the new president, he stated: "I believe that it fits into what my sector has been seeking. We have talked about a more equitable distribution of wealth, about democratizing credit, about combating the monopolies, about supporting the generation of employment, about reducing the interest on credit and about reactivating the productive sector of industry."

Ossa Uribe expressed the view that, in general, the candidates' propositions coincided with the needs of small and medium industry, and remarked: "I think that we can contribute to the economic success of the next government if it, in turn, backs us."

He said that, with the political uncertainty dispelled, there obviously exists an atmosphere of greater assurance and also confidence in what will happen in the country.

The ACOPI president was of the opinion that productive investment will have better opportunities in the immediate future. "However, we do not expect sudden changes or very pronounced ones to occur, because any new position is always slow; but of course there are better expectations for private investment."

Reactivation

The president of ACOPLASTICOS, Alfonso Suarez Fajardo, for his part, declared that he viewed with great pleasure the wide majority won by Belisario Betancur in the last elections, adding: "His long career and his special qualities of integrity warrant our expectation that a genuine impetus may be given to national productive activity, which has been so deteriorated in recent times."

Regarding the prospects for productive investment, he noted that there has been a recovery of an atmosphere leading toward the overall reactivation of the entire economy.

Suarez Fajardo concluded by saying: "We think that the time will be ripe for the productive expedients to start bringing good results, as we could observe during the months that have elapsed so far this year. If supplementary and additional formulas are adopted, we could have an upsurge or a revitalization of the economy during 1982."

Protection

The president of the Colombian Metals Industries Federation (FEDEMETAL), Carlos del Castillo Restrepo, alluded to the proposals made by Betancur Cuartas in the area of foreign trade and government purchases, noting that these two tools are basic for reactivating industry so that their use will result in extensive benefits for the sector.

"I wish to emphasize that, in the document read by Dr Betancur when his victory was proclaimed, there is a reference to the intention of reactivating the productive sector, a task which, in fact, requires the greatest urgency for recovering employment and growth in the economy at a satisfactory rate."

Del Castillo Restrepo commented: "This reiteration of one of his election campaign promises fills us with optimism about the possible nature of the new administration headed by Dr Betancur."

Corporation

Finally, the president of AFIDRO, Raul Gomez Montoya, lauded the intention of the new government to reactivate the productive system, and said that, to attain this goal, the practice of coordination in the development that it has offered to carry out with the various economic groups would be highly effective.

Gomez Montoya recalled: "Dr Betancur has established among his major objectives the revival of the corporation, eliminating the double taxation; a strong impetus for employment through tax incentives; putting the treasury on a sound footing through a stringent policy of austerity in public spending; and the rationalization of interest rates which have reached levels that far exceed that of inflation." In his view, the country will steadfastly back the efforts aimed at attaining these goals and those put forth by the new government to solve the disturbing problem of subversion which has seriously upset the social atmosphere desirable for investment, work and progress in the nation.



*Guillermo Gomez
Estrada, Camacol*



*Carlos del Castillo
Restrepo, Fedemetal*



*Alfonso Suárez
Fajardo, Acoplásticos*



*Francisco de Paula
Ossa Uribe, Acopi.*



*Juan Martin Caicedo
Ferrer, Fenalco*



*Gilberto Arango
Londoño, Asoexport*

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CSO: 3010/1700

VARYING VIEWS ON CABINET-FORMATION PROCESS

Bogota EL SIGLO in Spanish 2 Jun 82 p 11

[Article: "Political Controversy Over the Implementation of 120"]

[Text] Paragraph From 120

In its paragraph, Article 120 of the National Constitution makes the following statement:

"In order to preserve, after the date indicated (7 August 1978), on a permanent basis, the national spirit in the executive branch and in public administration, the appointment of the aforementioned officials will be made so that adequate, equitable participation is given to the majority party different from that of the president of the republic.

"If that party decides not to participate in the executive branch, the president of the republic will freely establish the government in the manner that he deems fitting.

"The foregoing does not preclude other parties or members of the Armed Forces from being called upon simultaneously to hold positions in public administration."

The announcement by former President Alfonso Lopez Michelsen that he would propose to the next board meeting of congressmen the establishment of a clear-cut Liberal position on the way in which Article 120 of the Constitution should be implemented to form the next government evoked widespread controversy in various political circles. Spokesmen for the Conservative Party categorically stated that the interpretation of this constitutional provision is incumbent solely on the head of state; while leading representatives of Turbayism and Galanism expressed the view that there is a presidential and not a parliamentary system in the country, and hence the Lopist claim that, in forming his cabinet, the president must be guided by the results of the congressional elections is unacceptable. EL SIGLO offers below the opinions gleaned from the various sectors:

Conservatism

The former Conservative ministers, Cornelio Reyes and Rodrigo Marin, chairman of the National Conservative Directorate, were of the opinion that the

interpretation of Article 120 of the Constitution should be made on the basis of the results of the presidential election, because our system is not parliamentary, but rather presidential.

Senator Cornelio Reyes made the following statement to EL SIGLO in this regard:

"The interpretation of the text of the 1986 [sic] constitutional reform which, to be sure, was established in the runoff vote, and which some of us senators opposed, does not specify which of the elections determines the composition of the government with respect to the parties' representation. Nor has the constitutional text been regulated either. So, the interpretation and implementation of the text remain at the discretion of the president of the republic. One must logically assume that the representation does not relate to the congressional elections, because our system is not parliamentary, but rather presidential; hence, it is only fitting that it be the presidential elections which indicate the guidelines for what the Constitution terms the adequate, equitable representation of the parties in the government."

Lopism

Alvaro Uribe Rueda, a distinguished Lopist leader, who headed the proselytizing effort in Bogota on behalf of the candidacy of former President Lopez Michelsen, claims that the interpretation of Article 120 of the Constitution [regarding adequate, equitable representation] for the losing party should be only a reflection of the composition of the legislative chambers.

The prominent Lopist leader gave El SIGLO's political staff the following statement regarding the matter:

"Article 120 of the Constitution is an approach to the parliamentary system. It is also an attenuation of the inflexible presidential system that exists in Colombia. If this is so, Article 120 must be interpreted in a sense that should reflect the composition of the Congress of the Republic.

"The opposite would be a subterfuge for distorting the sense of this article."

Turbayism

Senator Diego Uribe Vargas, visible head of the Liberal Party's Turbayist sector and current member of the National Liberal Directorate, held the view that there should be no type of argument concerning Article 120 of the Constitution, because its interpretation must be made by the president-elect to the best of his knowledge and understanding.

When questioned by EL SIGLO's political staff about the debate that has started on the interpretation of Article 120 of the Constitution, former Foreign Minister Uribe Vargas provided the following statement:

"The Article 120 regulation allows the interpretation that the respective president may give it to the best of his knowledge and understanding. Equity is a subjective concept, and I think that the country should have confidence that the equity interpreted by President Betancur will be the same as that which any other president would have given, including President Turbay, concerning whose interpretation there were no complaints."

The opinion voiced by Senator Diego Uribe Vargas regarding Article 120 of the Constitution contrasts with the position established on the matter by former President Lopez Michelsen, to the effect that the Liberal Party will uphold its stance on this article. Senator Uribe Vargas is the spokesman for the Turbayist sector, a movement that has regrouped again facing the proximity of the termination of the present government headed by Dr Julio Cesar Turbay Ayala.

Galanism

The former minister and current senator, Enrique Pardo Parra, who is a member of the major command of the movement headed by former presidential candidate Luis Carlos Galan, thinks that the interpretation of Article 120 of the Constitution should be up to the president-elect, Belisario Betancur.

The veteran congressman established his position on the interpretation of Article 120 in a statement made to EL SIGLO:

"The text of Article 120 of the Constitution is confusing, and contains equivocal expressions, such as that of adequate, equitable representation, which make it impossible to establish its scope accurately. Its profound intention is to prevent hegemony or monopoly of the government by a single party by giving the one which follows that of the president of the republic in number of votes representation in the cabinet. Of course, the notion of equity imposes a link between the electoral importance of the party which follows that of the president in number of votes and its representation in the government. The one who should decide on the manner of implementing this notion is the president of the republic, and the party benefiting from it has the right to accept or reject that interpretation by accepting or refusing to join the cabinet. It seems logical that the one to be taken into account should be the presidential election, since the charter refers to that type of vote. This is a ruling of a political nature, which the president is obliged to fulfill, by offering the other party this representation in the government, which the latter may accept or reject, depending on the kind of equity that its being granted it, and on its agreement with the president's programs."

2909

CSO: 3010/1700

FORUM HELD ON REAGAN PLAN IMPACT

Bogota EL TIEMPO in Spanish 4 Jun 82 p 6-E

[Article by Ana Paez: "Effects of the Reagan Plan on Our Economy"]

[Text] Will the implementation of the Reagan Plan for assistance to the nations of the Caribbean open up new markets for Colombia, or will it, rather, over the long term, upset the marketing of items which might be produced there within a few years?

How might the Colombian farmers be hurt by the new incentives for growers in the Caribbean?

Will it be possible to attain the political goals being pursued by Colombia by developing a plan on its own initiative and later joining the Nassau Group to initiate the cooperation with the Caribbean?

These questions served as a starting point for a forum on "The Consequences of the Reagan Plan for the National Economy," sponsored by the Regional Forum Corporation in Medellin, headed by historian Alvaro Tirado Mejia, in which representatives of the government and a few trade associations participated.

Taking part were the manager of INCOMEX [Colombian Foreign Trade Institute], Edgard Moncayo; the president of the National Association of Financial Institutions (ANIF), Pedro Javier Soto Sierra; the president of the Farmers Association of Colombia (SAC), Roberto Junguito; and the manager of the Uraba Banana Growers Union (UNIBAN), Lazaro Mejia Arango.

In view of the political problems that have arisen in the Caribbean area, and the consequences that this could bring for the country, the Colombian Government decided to participate in the economic recovery plan for those countries which is currently subject to approval by the United States Congress.

Actually, before the program was introduced by President Reagan, Colombia had already taken steps to initiate a similar program. Therefore, upon finding itself excluded from the group of countries which made a decision in this regard (Canada, the United States, Mexico and Venezuela), Colombia acted and achieved participation in the subsequent decisions. So, those first called the four of Nassau became the five of New York, the city where the group's second meeting took place.

The Colombian Government is of the opinion that it is now time to consolidate the nation's presence in the Caribbean, through economic cooperation with the countries of the region. The program could cost as much as 250 million pesos, and, generally speaking, will provide technical assistance, financial aid and commercial guarantees to the countries which are beneficiaries.

And this latter point was the very one objected to by the Colombian farmers, who will find their markets in the United States reduced within a short time.

The financial institutions also assumed a position with regard to the issue. Although they acknowledge the potential negative consequences for certain agricultural products, such as bananas, flowers and sugar, they deem it necessary to strengthen the Caribbean economies to prevent what they term "the advancement of communist rhetoric and weapons"; and they hope to establish lines of credit there for various sectors of production.

Some think that the plan "is impeccable from a theoretical standpoint," but that it "fails to take into account the individual circumstances of each country." Others argue that the political goals being pursued by Colombia are uncertain, but that it promises real economic goals. The government claims: "Those losses are insignificant. Our international policy must not be handled with so much miserliness."

So, we have different positions toward a program which will unquestionably bring repercussions of various types in Colombian politics and economy. But, can the government, or the farmers or the bankers indicate them with certainty? Apparently not. The uncertainty is the only point on which the opinions converge.

Potential Consequences for Exports

The assertion made by Roberto Junguito may be the key to the entire discussion: "The Reagan Plan is nothing more nor less than a pursuit of uncertain political goals, subject to certain costs for the farmers."

The farmers claim that the protectionist measures for the Caribbean economies will bring immediate negative effects for the sugar and flower exporters. Over the long term, they cite damage to the banana market, because the aid to the Central American growers will cut their production costs, to the detriment of the Colombian growers.

As a solution, they propose increasing Colombian investment for the opening of new markets in the Caribbean for all our products. In this way (they add), Colombia could make a trade which they describe as "deplorable" something real.

Nevertheless, this trade entails other costs for Colombia. ANIF cites the following:

1. There would have to be a guarantee for the regular, safe operation of the Grancolombiana Merchant Fleet to reestablish communication with the Caribbean, something that would require replacing nearly all the ships going to the

Caribbean. ANIF proposes starting the operation of small private fleets "to do away with the monopoly of one of them."

2. There would have to be an improvement of the internal routes leading to the ports: railroads, river routes and land routes requiring constant maintenance and long-term planning.

3. The administrative, operational and financial problems in the national ports would have to be solved.

Faced with the possible loss of their market in the United States, the banana growers also think that there is "an unpostponable need for a stable, logical banana policy to exist in Colombia." This entails the preparation of the Banana Indicator Plan, based upon the new national and international situations; a handling of the exchange rate favorable to exporters; a CAT [Tax Credit Certificate] which can be geared to the status of non-traditional exports; a program to improve the productivity level and quality of the fruit; action by PROEXPO [Export Promotion Fund] to facilitate a definitive participation by the Colombian companies in the markup of the fruit; facilities for importing input; and a government subsidy for the costs incurred by the control of the Sigatoka Negra.

The manager of INCOMEX remarked then that although there are potential economic costs, this program has become an opportunity to increase the trade in the Central American and Caribbean countries.

"It is not a matter of binding them to purchase Colombian products, because that is not viable from a diplomatic standpoint. No country would accept such a neo-colonialist attitude. Nor is it merely a matter of considering a natural market for Colombia, but rather of wielding an influence in the Caribbean on events related to high-level international policy." And he added: "The effects of the Reagan Plan may be uncertain, but this is an opportunity for Colombia to enhance its international position and to have a new area of influence; because we are the fourth-ranking country in the area and we do not carry any weight at the international meetings."

The Colombian Government thinks that the costs will not be very great for the native farmers. The INCOMEX manager cites as an example the case of the sugar growers, whose losses would amount to \$5 or \$6 million per year.

He says: "This is the price of decent premises for an embassy in any country. Is it worthwhile abstaining on this account? We cannot view international policy in such a miserly way." He goes on to say: "Furthermore, the sugar market in the United States is declining, because the cane is being replaced by silk and rubber as raw materials. Now, sugar and flowers have been excluded from the preferential tariff system, and bananas do not pay any tariff according to the GATT [General Agreement on Tariffs and Trade] accords."

Another objection of the banana growers relates to possible pressure from the Central American countries, through the international forums, for Colombia to establish a tax on exports.

Their fear is based on the fact that the lack of a tax on banana exports and the existence of the CAT might be an argument for Central American pressure which could readily be backed in the policies of the Reagan Plan.

And these are not the only fears. They also consider it possible that the Central American banana growers might seek a subsidy for their production costs, in view of the trends toward a reduction in prices for the fruit in the United States and Western Europe, which they describe as "the most serious challenge to Colombian bananas."

The Colombian growers also calculate the costs for the control of the Sigatoka Negra, a pest widespread in Central America which has already damaged Colombian plantations. These will be 16 cents on the dollar per crate in 1983, and 25 cents thereafter.

The manager of UNIBAN, Lazaro Mejia Arango, comments: "If Central America and the multinational companies operating there succeed in directing funds, with American assistance, to subsidize the costs of fumigation, the status of our fruit and banana economy will be hurt considerably by the combined effect of two situations: the inevitable loss of a comparative advantage held by Colombia over Central America, and the reduction of a comparative disadvantage for Central America."

For whom will these benefits be? The president of SAC, Roberto Junguito, is of the opinion that the poverty of the Central American countries is relative: "We will be able to help 12 or 15 Central American families; the property is highly concentrated there."

Moreover, the UNIBAN manager describes as "absolute" the multinationals' control over the production, transportation, exporting and final marketing of the fruit. They are: United Brands or United Fruit Co; Standard Fruit Company or Castle & Cooke, or Tecnicas Baltime; and the Del Monte company; which, according to Mejia Arango, "control far more than the bananas."

He explains: "Independent producers in Central America are a rhetorical and theoretical figure because, although they are the land owners, they do not have any influence on the growing, since they have virtually surrendered their properties to be administered by the multinational companies, often acting as absentee landlords." And he adds: "This is not the case with the Colombian producers, because, in the first place, there is not a piece of land on which bananas are grown that is owned by the multinationals or the companies operating here in exporting the fruit, and the producers are such in the complete sense of the word."

Now then, all the participants in the forum explained that their assertions are confined to possibilities, because no concrete measure has yet supported them.

Among other points, the Reagan Plan guarantees a 10 percent tax discount for the American companies that become established in Central America. Therein lies another fear: That tax advantage would increase the banana growing areas and might close international markets for Colombian products which the multinationals in the area could start to manufacture.

Nevertheless, both the president of ANIF and the manager of INCOMEX agree that this discount on the companies' fixed investments will not be a sufficient incentive for them to decide to become established in an area with so much political instability.

This same circumstance is cited as positive by the Colombian banana growers, because they think that there is a possibility that the massive arrival of external funds made available by the Reagan Plan might be an inflationary element. Those countries would be incapable of absorbing this money with a productive capacity, so inflation would increase and, with it, the cost of labor; which would have a negative effect on the growing of bananas. However, this hypothesis was considered possible but unlikely by the banana growers.

In any event, hypotheses and fears are the result of a first analysis of the plan by the trade associations and the government; because the conclusions will arrive when the studies that both are conducting currently have been finished. One of them is being made by PROEXPO and the other by SAC, with the advice of Jorge Ospina and Hernando Caicedo. Perhaps then, and through a comparison with the implementation of the plan, its effects on the national economy may be learned precisely.

2909

CSO: 3010/1700

OUTSTANDING WORKERS RECEIVE TRIPS TO SOCIALIST COUNTRIES

Havana TRABAJADORES in Spanish 24 Apr 82 p 1

[Text] It was announced at the headquarters of the Central Organization of Cuban Trade Unions that the best workers in the country will be able to benefit in 1962 by having 3,689 tourist places to visit socialist countries in the second half of this year.

Worker tourism will be divided into 3 groups: the first will be composed of 500 special guests of the revolutionary government who will bring a companion and will enjoy the trip without charge.

The second group includes 507 workers outstanding in the sugar cane harvest, with their companions. In this case they will receive from the State 50 percent of the cost, and, to pay the rest, they will benefit from prices at cost on the part of INTUR [National Institute of Tourism] and from payment arrangements available from bank credit.

Finally, 1,167 trips will be distributed among those affiliated with the National Unions which will count on a discount financed by the state, prices at cost and bank credit.

Among the worker tourists especially invited by the revolutionary government will be winners of the Lazaro Pena award, First Grade, National Vanguardists and those awarded the medal of the 10th Congress of the World Federation of Trade Unions.

With regard to the 675 tourists trips for all the unions, it was announced that every good worker has the right to choose, although those having precedence are the National Heroes of Labor, those holding the "Jesus Menendez" medal, the National Vanguardists, the best workers at the provincial level, at government enterprises and work centers; workers who obtained the "Five-Year Advancement, outstanding innovators and other workers with a meritorious labor record.

In this group, all trips will be discounted in specified percentages (which will range from 20 to 60 percent) in accordance with the salary range of the worker or companion. The right to credit, which does not cover the companion, will be determined in accordance with the ability of the family group to repay.

The trips for companions will be deducted from the quota assigned by the National Union to their member groups. The selection which results from evaluating the work merits must be made known to all the workers by means of posters, radio announcements, and other information media.

9678

CSO: 3010/1636

BRIEFS

NEW POLISH AMBASSADOR--Carlos Rafael Rodriguez, vice president of the Council of State, received in solemn audience his excellency Stanislaw Jarzabek, who presented his credentials as Ambassador Extraordinary and Plenipotentiary of Poland. Isidoro Malmierca, minister of foreign affairs, participated in the presentation ceremony. Ambassador Stanislaw Jarzabek accompanied by counsellor Jan Jariszewski, Colonel Marian Piwowarski, military naval and air attache, and Jan Rodak, first secretary. For the protocol division of MINREX [Ministry of Foreign Affairs], Roberto Melendez and Alberto Mendez, director and head of the ceremonial department, respectively, participated. After the ceremony, the ambassador and his colleagues went to the Plaza de la Revolucion and placed a wreath at the monument of Jose Marti. Biographical Data--His excellency, Stanislaw Jarzabek, was born 1 January, 1937. He did graduate work at the Institute of International Relations in Moscow. From 1960 to 1962, he worked as an interpreter in the International Commission of Supervision and Control in Laos. From 1963 to 1966 he was an official in the Ministry of Foreign Affairs in Warsaw. As a diplomat, he was an attache, first and second secretary of the Polish Embassy in Havana from 1966 to 1971. From 1971 to 1973, he was counsellor to foreign minister in Department III of the Foreign Affairs Ministry in Warsaw. In 1975 he was named Ambassador Extraordinary and Plenipotentiary from Poland to Peru, accredited also to Bolivia in the same capacity, which he discharged until 1980, when he was named vice director of the Office of the Ministry of Foreign Affairs. Since 3 November 1980 he was director of the Office of Foreign Affairs of the Polish People's Republic. [Text] [Havana GRANMA in Spanish 28 Apr 82 p 4] 9678

NEW SRI LANKA AMBASSADOR--Carlos Rafael Rodriguez, vice president of the Council of State, received in solemn audience his excellency Rodney C. A. Vandergert, who presented his credentials accrediting him Ambassador Extraordinary and Plenipotentiary from the Democratic Socialist Republic of Sri Lanka to Cuba. Isidoro Malmierca, minister of foreign affairs participated in the presentation ceremony. For the protocol department of MINREX [Ministry of Foreign Relations], Rafael Hernandez and Eduardo Niera, vice director and protocol attache, respectively, participated. After the ceremony, the ambassador proceeded to the Plaza de la Revolucion and placed a wreath at the monument of Jose Marti. Biographical Data--His excellency, Rodney C.A. Vandergert was born in Sri Lanka 5 November, 1935. He completed advanced studies in the Colombo Royal College. Mr Vandergert is a lawyer, having

graduated from the University of Ceylon (LLB) and from New York University (LLM). His functions as a diplomat began in 1960, when he entered the foreign service. From 1961 to 1964 he held the post of third secretary of the Sri Lanka High Commission in London, assistant secretary of the Ministry of Foreign Affairs, appointed to the African division during the years 1965-1966; from 1966-1968 second secretary of the Sri Lanka High High Commission in Pakistan; from 1969 to 1973, he was legal advisor of the Foreign Ministry of Sri Lanka. From 1973 to 1977 he was first secretary of the permanent Sri Lanka mission at the United Nations; vice-director of the administrative division of the Ministry of Foreign Affairs from 1977 to 1978. During 1978 to 1980 he was designated legal advisor to the Ministry of Foreign Affairs. From October 1980 he was high commissioner of Sri Lanka in Canada. As a diplomat, he has represented his country in the following international conferences: 1962--Advisor of the Sri Lanka delegation at the 16th session of the UN General Assembly; 1963--Alternate delegate of the Sri Lanka delegation to the 8th general conference of the IAEA; Vienna: 1966--member the delegation from his country to the Commonwealth Prime Ministers Conference, Lagos, Nigeria; 1970-71-73 he participated as a member of the 10th, 11th, and 13th sessions of the Afro-Asian Legal Consultative Committee held in Accra, Colombo and New Delhi; 1973-74-75-76, alternate representative, delegations of Sri Lanka to the 28th to the 31th sessions of the UN General Assembly; 1973-1980--Alternate representative from Sri Lanka to the 3rd, 4th, 5th, 6th and 9th sessions of the 3rd conference of the United Nations on the Law of the Sea. In 1980 he was present as a member of the delegation from Sri Lanka to the conference of Chief Justices of the Commonwealth in Barbados. [Text] [Havana GRANMA in Spanish 28 Apr 82 p 4] 9678

CSO: 4010/1636

MALDONADO AGUIRRE VIEWS RIOS MONTT'S PRESIDENCY

PA172222 Guatemala City PRENSA LIBRE in Spanish 11 Jun 82 pp 13, 59

[Text] Rios Montt may now suffer an accelerated erosion of power and will have to prove his ability to approach the left, giving participation to such neglected sectors as the Social Democrats. This statement was made by Alejandro Maldonado Aguirre, former presidential candidate.

Interviewed about the political implications of the military junta's dissolution and of General Rios Montt's assumption of power, Maldonado Aguirre said that the change was justified because the time had come to unify command.

Now the country's presidential tradition will continue, Maldonado added, which will bring the following important political results:

It will facilitate the state's ability to deal with and solve administrative matters, while, on the other hand, Rios Montt will be exposed to a more rapid process of political erosion as a result of his sole exercise of power.

Therefore, Maldonado Aguirre noted, General Rios Montt must be very adept at reaching understandings with the various sectors of the people. Politically speaking, he must turn to the left somewhat, by permitting participation for neglected and persecuted sectors like the Social Democrats, whose leaders are either dead, like Manuel Colom Argueta, or in exile.

He added that under the present circumstances, the Guatemalan army must carefully observe the experience of Latin American countries, and others, that have been able to overcome crises because of their armed forces' understanding of the transitory nature of their role.

Maldonado Aguirre noted that the army must begin a process of transferring power to the civilian sector, adding that more than 3 or 4 years of military rule would have unfortunate consequences for the country.

In that period, he explained, the process of transferring power must be implemented, including, in part, the convocation of a constituent assembly and the holding of elections.

That process could also involve creation of a state council, Maldonado Aguirre added.

In that respect, he said that such a consultative body should have effective participation in state decisionmaking powers, to fulfill its role of insuring the balance of power. Under the present circumstances, this would require self-regulation by a council that must be broadly representative.

He observed that it is plain that its representativeness will be only as effective as the extent to which all sectors are represented therein. He agreed that both women and the communications media should be represented.

CSO: 3010/1726

MINISTER SAYS FALKLANDS REVEALS TREATY FAILURE

PA180150 Panama City ACAN in Spanish 0138 GMT 17 Jun 82

[Text] Guatemala City, 16 Jun (ACAN-EFE)--Guatemalan Foreign Minister Eduardo Castillo Arriola declared today that the conflict over the Malvinas Islands has produced a breach in the inter-American system, particularly in its failure to comply with the Inter-American Reciprocal Assistance Treaty (TIAR).

"The Latin American countries are greatly concerned over the lack of solidarity and the lack of compliance with the objectives of that treaty," the ranking official said.

He added that it is necessary to revise the inter-American system if it is to function effectively, since it failed in its objectives in the Anglo-Argentine conflict.

"Each time security is broken and peace is disturbed in any part of the world, all of mankind and all nations are the losers," the Guatemalan foreign minister said, adding that "there are no" winners or losers in the Malvinas case.

Meanwhile, Gen Efraim Rios Montt, president of the republic, noted that the Belize case has never been forgotten and that his country will continue to pursue its claim with Great Britain.

He added that new negotiations will be sought with the British Government to settle the Belize problem, a territory of 22,000 square km granted independence by the British on 21 September 1981.

Guatemala has not recognized this independence and has accused Great Britain of violating agreements signed in London in early 1981.

CSO: 3010/1726

OPPOSITION LEADER MIGUEL ALBIZURES VIEWS AMNESTY

PA171850 Managua Domestic Service in Spanish 0000 GMT 15 Jun 82

[Text] Miguel Angel Albizures, vice president of the International Commission of the Democratic Front Against Repression [FDCR], said here [presumably Managua] today that the amnesty decree issued by the military junta is nothing but a demonstration of its demagogy. The revolutionary forces, according to Albizures, have made an urgent appeal to peoples, governments and organizations of the world, to offer their solidarity with the Guatemalan people struggling against oppression.

[Begin Albizures recording] To us, the amnesty decree is an act of violence against the Latin American countries, particularly against the people of Central America struggling for their liberation, because it constitutes a real menace of military intervention in Central America, if we take into consideration the fact that the United States already has a base in the area, with a military installation in Panama while it is at the present installing another in Guatemala. This constitutes a provocation against our peoples, as it is a maneuver designed to obstruct our liberation purposes.

The Guatemalan people are aware that the Reagan administration has become enemy No 1 of our countries, not only for supporting dictatorial regimes, but also for contributing to the destabilization of democratic governments and at the same time joining in alliance with extracontinental powers such as England.

As representatives of the Guatemalan people, we reject these new attempts of aggression against Central America.

[Question] Does the FDCR Commission have an answer to the amnesty decreed by the Guatemalan Government?

[Answer] We have already exhorted the Guatemalan people to turn down this new maneuver of the government of Rios Montt since we consider our war is just. Under these circumstances there is no room for an amnesty. We cannot trust the army to solve our problems. We are mobilizing the people to create a great national political front as an answer to these maneuvers. [end recording]

CSO: 3010/1726

PSUM CANDIDATE WARNS OF PLANNED PRI VOTE FRAUD

Mexico City EL DIA in Spanish 30 Apr 82 p 6

[Article by Yolanda Garcia Montes]

[Excerpt] Mazatlan, Sinaloa, 29 April--The people of Mazatlan should not be barred from their own beaches, the presidential candidate of the PSUM [Unified Socialist Party of Mexico], Arnolando Martinez Verdugo, said here last night. He stated that all the profits produced by tourism in this port city are swallowed up by the administration in alliance with domestic and foreign speculators.

At a rally supporting his candidacy held in Revolution Square of this city, Martinez Verdugo said that the inhabitants of Mazatlan were "experiencing a silent invasion of employers alien to their culture who are threatening to bar them from their own city."

In recent years, he said, we have witnessed the growth of two Mazatlans--the Mazatlan endowed with excellent services like potable water, drainage systems, and other services reserved for tourists only, and a Mazatlan that is dark, lacking a sewer system, dirty, without police protection, and with growing unemployment.

Before more than 500 people gathered in the square Martinez Verdugo demanded that the government not allocate all its resources to the tourist sector in this city, for there are other productive sectors, like farming and fishing, that can also be developed and offer employment to the people of Sinaloa.

We are not opposed to the development of tourism in Mazatlan, he added, or to the benefits available from it, such as foreign exchange, What we do object to is that the profits from tourism be monopolized by a minuscule group of greedy domestic and foreign speculators while the people receive no benefit at all from this activity.

In another part of his speech Martinez Verdugo charged that the PRI [Institutional Revolutionary Party] is planning a big fraud for the coming elections of 4 July. He charged that the PRI leaders have assigned their 300 deputies in Congress the task of delivering at least 60,000 votes in each voting district, which would mean a total of over 18 million votes.

"Neither under present conditions nor in the past has the PRI ever been able to garner such a large quantity of votes; therefore, this means that if they intend to obtain that amount, they will have to resort to fraud." In view of this situation, Martinez Verdugo exhorted his listeners to denounce this plan to be vigilant at all the polling places in order to avoid a fraud of such magnitude.

9015

CSO: 3010/1645

PSUM'S GOMEZ: UNIVERSITY 'LEFT' WEAKENED

Mexico City EXCELSIOR in Spanish 2 May 82 p 34-A

[Article by Nidia Marin]

[Text] The Left has lost ground in the universities, where the student and teacher movements are weak; in general, the university movement in this country "is at a low ebb, is spotty, and is mutilated," Pablo Gomez, secretary general of the Unified Socialist Party of Mexico, stated.

He pointed to the deep divisions and confrontations among the factions of the left in the universities, the weakness of their programs, and the situation at the top levels of the graduate schools in the wake of criticism and self-criticism on the campuses, where a permanent conflict has existed between the forces of the Left and the Right for decades."

Speaking at the inauguration of the University Forum, he remarked that without doubt the Left has a great deal of influence in the universities and other centers of higher education "as a result of its democratic programs and its methods of working with the mass of university students. But today, after 20 years of intense struggle and much activity, that same Left no longer has the strong program that once characterized it, and its methods are not adequately directed at the mass of students.

Although indicating that this does not mean that the situation is the same in all the universities or that the phenomenon exists to the same degree, he said that serious tendencies toward division and confrontations among factions of the left have been observed in recent years, projects designed to foster democracy and self-starting undertakings have withered, and the opportunity for a democratic, mass-oriented, and nationalistic education displays not a few incongruities.

"The left has never taken refuge in the universities but has gained more advantageous positions there, which in turn have given it greater opportunities for development; however, its tasks within the university are not being cancelled because of the increase in its over-all influence. Now we know by our own experiences how difficult it is to achieve democracy in a country like ours, which has been shaped by the antidemocratic policies of the ruling PRI [Institutional Revolutionary Party] and official corruption for decades.

"The self-starting experiments have progressed but are encountering tremendous obstacles when they have to be consistent and follow democratic methods."

He explained that politics in Mexico is imbued with exclusiveness and obstacles to coexistence among factions and groups that have different policies and leaders, which, he cautioned, does not mean that democracy is impossible but that is simply very difficult to develop; "thus we must be more energetic in our efforts."

Among the examples of factionalism, he mentioned the Autonomous University of Guerrero, "where divisions among the Left are so deep that no clear choices are available in practically any current problem."

They have tried to violate one of the most sacred of all socialist tenets there: the right to strike. And it is not that we are alarmed over the differences among leftist factions and organizations, rather it is over the degree of confrontation among them, over the exclusiveness that has developed in the school, which, as a result, is not fulfilling its basic teaching function, let alone that of higher education."

He also mentioned the Puebla Autonomous University, "where the differences have incomprehensible facets for those not directly involved in the conflict. When this happens, it means that things are not clear, that there is confusion."

He pointed out that there is no clear choice of programs; therefore, one cannot explain the intensity of the conflict nor the framework of exclusions that are rapidly taking place.

In general, he said, programs are weak and methods are confused among the Left within the universities. He said that "the Left must be a great deal more consistent in the practice of democracy, which is the only way any struggle can be made legitimate; such consistency cannot consist only in providing the means of expression and ensuring majority decisions, but must also avoid excluding any faction or group and rejecting reprisals and low blows."

Student Movement

Pablo Gomez stated that in view of this trend towards disintegration a general weakness in the struggle for a better education is evident, because with the winning of the various basic rights that were fought for by organized labor "we can clearly see that we have lost ground in developing educational opportunities to the fullest extent, in a way that will include the university in its totality and not, in practice, in only one of its aspects."

The student government is basically prostrate. There are barely any important student struggles anywhere with well-defined programs and organizations, which means that the university movement is at a low ebb, is mutilated, and is spotty, at least, because without the students, an essential part of the

teaching-apprenticeship process, a real and complete university reform movement cannot be imagined.

He said it was too complicated to try to explain the causes behind the prostration of the student movement. But he indicated that "it appears to reflect a general weakness in the democratic struggle within the universities, a process of loss of political momentum resulting in many cases from the lack of channels for action, of democratic methods, but also of mistakes and the failure of the Left to motivate the students, to accept the need to mobilize and organize them, to recognize their importance."

He denied that the students are merely auxiliaries in the worker-peasant struggle or that they are intrinsically anarchic, and are the saviours and emancipators of the working class.

He asserted that the teachers' movement, as well as the student movement, has become weak because of university reform. This cannot be blamed, he added, on the demand for professionalism in teaching, but deals with the content of education, changes in what is being taught, methods of teaching, and changes in the organization of research and in the objectives of this basic university function.

With regard to school autonomy, he stated that parties, trade unions, and other associations have a right to participate in university life, to organize themselves within the university in accordance with their own decisions, and to attempt to make their influence felt in centers of learning.

If parties and leftist organizations have the duty to fight for democracy in the universities, they also have the commitment to respect democracy in these centers of learning, to submit to decisions by the majority, and to contribute all their efforts to guarantee that higher education does not become exclusive and arbitrary but instead free, with open debate, and that it be competitive for those who legitimately have the right to express themselves in their own way in the centers of learning and research.

"Neither the political parties nor groups of any kind have the right to substitute their decisions for those made by the universities, nor should they assume positions within the university administration, as if they were seats in the Chamber of Deputies. Nevertheless, this does not imply that the Left should be indifferent toward any given university official."

With regard to the PSUM, he indicated that it should not seek positions in the university, nor do these positions belong to the party, which does not mean that it should remain aloof from any of the issues of university life, such as the application of programs represented by people.

He also reiterated that the PSUM should be independent in its attitude toward university authorities and obedient to democratic decisions made by the authorities in matters pertaining to the university.

"This also means that membership in the PSUM should in no case or under any circumstance be a passkey to administrative or academic positions."

9015

CSO: 3010/1645

CNE FINDS FAULT WITH STATEMENTS BY GAVIN, TRADE REPRESENTATIVE

Mexico City EXCELSIOR in Spanish 6 Jun 82 pp 4-A, 6-A

[Article by Felicitas Pliego]

[Text] The U.S. Government lacks the desire and capacity to understand the true nature of Mexican-U.S. economic relations. This fact is obvious in the suggestion made by U.S. Ambassador John Gavin that Mexico should abandon its policy of incentives to promote development, liberalize its trade and open its doors to foreign investment.

After making these statements, the National Society of Economists (CNE) pointed out that the comments made by the American diplomat are all the more serious since they coincide with those of the U.S. trade representative who proposed a new round of commercial negotiations designed "to negotiate the lifting of barriers to trade with the developing world," particularly with countries such as Mexico, South Korea, Taiwan and Brazil, which have large potential markets.

The CNE emphasized that the statements of both U.S. officials are at odds with the reality and problems of bilateral relations and have the purpose of favoring a multilateral program in which the sovereign decisions of governments would be subordinated to special or groups interests. What is more they would fall within the context of the overall strategy of the industrialized countries which in the face of our economic growth are promoting a liberalism which is applicable to them alone.

GATT--as a fundamental part of this strategy--has called a ministerial meeting for November 1982 which will discuss the problems of world trade and will attempt to remove the restrictions that the host countries are imposing on foreign investment because of the distortion they produce in world merchandise trade. For its part, the U.S. Congress is supporting the principles of "graduation" and "reciprocity" with respect to the developing nations, relegating to oblivion "the special agreement" which induced the United States to participate in multilateral forums.

Pressure for Mexico To Join

This brings to mind pressures for Mexico to join GATT, which really have never ended. The policy of "graduation" in the U.S. Generalized System of Preferences--a discriminatory measure--flagrantly violates the initial purpose of the program. This policy gives greater protection to less advanced U.S. industries and exports the problems of industrial adjustment to developing nations without providing mechanisms to permit the overcoming of new problems.

As for "reciprocity," this simply means that the United States must seek and enjoy commercial investments conceded by the developing countries. That is, the U.S. Government does not recognize the fact that there are differences between the degree of development of Mexico and the United States or the contribution that our country is making to world trade in context of the determinant elements of bilateral relations, the CNE said finally.

8143

CSO: 3010/1702

DIAZ SERRANO SPEAKS ON OIL, ECONOMY, DENIES NATIONAL CRISIS

Mexico City EXCELSIOR in Spanish 27 May 82 pp 1-A, 19-A

[Article by Angel Soriano]

[Text] Oil will continue to be the pivot of this country's economy; there are sufficient reserves, industries, and trained human resources. For the moment we are experiencing a financing problem, but that does not mean that we do not have a solution, the former director of PEMEX, Jorge Diaz Serrano, said yesterday. He admitted that there was corruption in state-run enterprises, "which we cannot deny, but we should not generalize," since not everyone is corrupt.

Now a candidate for senator from Sonora, the former ambassador to Moscow was the attraction at a breakfast given yesterday in his honor and that of his colleagues, Jose Antonio Padilla Segura and Miguel Borge Martin, by the Mexican Society of Mechanical and Electrical Engineers in recognition "of his professionalism and distinguished public service."

In his remarks Diaz Serrano censured "those who cling to a reactionary nostalgia," which they also share with those who once enjoyed privileges obtained from oppressing the people, he asserted that the country is not in a crisis and that this is only a way of picturing us as if we lived in the midst of unhappiness, desperation, and injustice.

He indicated that there are still those who live among their memories, like statues made of salt, with their faces turned toward the past without realizing that this country is moving ahead on the road of progress.

Mexico is not a utopia where no one has problems, but visions of catastrophe or glorious triumph are simply divorced from reality. Mexico did undergo a crisis in the War of Independence, in the Reform, and in the Revolution, but neither criticism nor complaining is not enough; what is needed is continuous analysis, basic convictions, and above all action based on reality to save us from listless conformity and the fatalism which affects us, he stated.

The Crisis: An International Problem

The breakfast was presided over by Jorge Chirino Anzures and Emiliano Ramiro Lalana, both officials of the AMIME.

Afterward, Diaz Serrano was questioned about petroleum matters.

He denied that the present crisis is due to the fall in the price of crude oil and that he was responsible for it and he said this was an international problem, which, together with an internal problem, caused the drop in the price of oil, which led to the decrease in exports; but even so, he said, no one will deny that Pemex is still the most important factor supporting the country.

He refused to comment on the advantage or disadvantage of Mexico's joining OPEC. With regard to withdrawing the subsidies on gasoline, he indicated that it was necessary to strike a balance between the producer and the approximate cost of energy in order to prevent losses in production.

9015

CSO: 3010/1645

WITHDRAWAL OF ADVERTISING REJECTED BY PETITIONERS

Mexico City EXCELSIOR in Spanish 6 Jun 82 p 14-A

[Political advertisement]

[Text] CRITICA POLITICA, a magazine of political information and analysis
Mexico, C.F., 6 June 1982

Repression Against Freedom of Expression

On the cover of issue No 47 of the magazine CRITICA POLITICA, of 16-30 April, cartoonist Naranjo drew a caricature of Jose Lopez Portillo.

Official political circles felt that this caricature was demeaning to the president's image.

Therefore, the coordinator of Social Communication of the Office of the Presidency, Francisco Galindo Ochoa, informed CRITICA POLITICA of the suspension of governmental advertising.

A few weeks earlier, a similar order had withdrawn governmental advertising from the magazine PROCESO.

The rationale for such actions is that magazines which adopt a position in opposition to the state cannot be subsidized with advertising.

From any standpoint, this rationale is untenable because state funds are not the property of specific politicians but rather come from the people.

The suspension of advertising smacks of a repressive measure against publications that break silence or silences previously held in the face of incidents which, although discomfiting, have social interest.

Without concerning ourselves about the specific fate of these publications, we feel that we must point up the seriousness of such actions, as we consider them to be an attack on freedom of expression.

We call for the information of a broad wave of public opinion whose point of departure is defense of freedom of expression and analysis which provide latitude for multiple opinions.

[List of petitioners follows]

Miguel Angel Granados Chapa, David Martin del Campo, Verónica Villarespe, Fausto Burgueño, Raúl Conde, Ma. del Carmen del Valle, Ma. Luisa González Marvin, Lucia Alvarez Mosso, Dinah Rodríguez, Raúl Huerta García, Cusubtémoc González Pacheco, Jesús Barba, Carlos Noyola Vázquez, Rafael López Rangel, Sergio López Mercado, Fernando Moreno M. C., Juan Manuel Dávila, Guillermo Martín, Lilia Rocha, Ernesto Alva Martínez, Alejandro Suárez Parevón, Juan José Serrano Gómez, Carlos González Lobo, Emilio Caballero, Ignacio Hernández Gutiérrez, Dolores Unzueta Reyes, Cristina Martínez, Ana Mariño, Salvador Rodríguez y R., Emilio de la Fuente, José Romero S., M. Mercedes Galtán R., Pedro López Díaz, Francisco Hernández y Puente, Victor López Villafañe, Magda Psarrour, Carlos Maya Ambia, Gilberto Espinosa Alvarez, Arturo Huerta G., Rita Saucedo Flores.

Ignacio Cepeda, Roberto Castañeda, Ma. de los Angeles Pensado, Fernando Carmona,

Jorge Carrión, Silvia Millán Echegaray, Iria Guevara González, Elomón Espino Talavera, Bernardo Navarro B., Carlos Morera Camacho, Antonieta Barrón, Juan Luis Concheiro, Patricia Pensado, Felipe Ehrenberg, Jorge R. Fernández Osorio, Heberto Castillo, Elvira Concheiro, Catalina Ethenachutz, Vicente Rojo, Luciano Concheiro, Enrique Somo, Arnaldo Córdova, Antonio Juárez, José Blanco Gil, Severo Escudero Carrillo, Felipe Leal, Magdalena Galindo, Sergio de la Peña, Rito Terán, Juan Felipe Leal, Evaristo Pérez Arreola, Carmen Galindo, Nicolás Olivos Cuéller, Elézer Morales, Roberto Cabral, José Blanco, Esther Cereña, Enrique Rajchemberg, Gerardo Peleás, Ma. Fernanda Ruiz Dura, Annie Pardo, Neus Espressate, Gilberto Rincón Gallardo.

Manuel Viscaino Mejía, Martha Rafful Jaber, Margarita Camarena, Guillermo Bolis Morales, Emilio Romero Polanco, Carlos Schaffer V., Octavio Rodríguez Araujo, José Luis Cereña, Roberto Borja, Gerardo González Ch., Elvia Wong, Isabel Rueda,

Ana Luz Figueroa Torres, Enrique Quintero, José Antonio Moreno, Jesús R. Ellzondo, Isolina Martínez, Patricia Romero, María Eugenia Romero Ibarra, Pablo Gómez Alvarez, Raúl Jardón, Mónica Navarro, Arturo Walley, José Luis Lee Nájera, Enrique Peñaloza, Esther Muñoz Pérez, José Ma. Cruz G., Salvador Jury, José María Bilbao R., Concepción Zea, Ma. Dolores de la Peña, Myra Landau, Ma. de los Angeles Comesaña, Valentín Campa, Manuel Plumbert, Carlos Juárez, Juan José Gurrola, Olac Fuentes Molinar, Raúl Macín, René Avilés, David Colmenares, José Ayala, Francisco Colmenares, David Márquez Ayala.

Pedro Méver, Graciela Iturbide, Martha Acevedo, Juan Castaingta, Jaime Krazov, Gilberto Guevara Niebla, Pedro González Olvera, Luis Alberto de la Garza, Samuel León, Ignacio Marbán, Javier Pérez Siller, Concepción Nev, Santiago Portilla, Teresa Losada, René Villanueva, Salvador Castro, Ilan Somo, Hugo Hirlart, Alberto Castro, Guita Schiffter, Jaime Goded, Félix Goded, Othón Salazar, Marcela de Neymel, Ramón

Danzas Palomino, Arnoldo Martínez Verdugo, Froylán López Narváez, Humberto Sotelo, Rosa María Garza, José Luis Mariffo, Jaime Perches, Federico Novelo, Emiliano Garl, Dolores Groman, Alejandro Somo, Fernando Benítez, Héctor Gama, Carmen Losada, Alfonso Vélez Pilego, César Chávez, Daniel Cusez, Iván García Solís, David Huerta, Juan Meléndez, Jorge Meléndez.

Rodrigo Rodríguez, Jorge Carrillo, Adriana Malvino, Samuel Sosa, Alberto Hernández, Victor Roura, José Vicente Anaya, Victor Batta, Jorge Vargas, Raúl Hinojosa, Carlos Marentes, Jorge Robles, Pedro Bravo, Enrique Duhme, Antonio Sotelo, Armando Arias, Braulio Peralta, Jorge Veraza, Armando Mena, Hugo Vargas, Salde Sesin, Jorge Juanes, Arturo Acuña, Javier Guerrero, Feggo, Manuel Marcé Pardiñas, Antonio Camargo, González Jantzen, Francisco Martínez Aparicio, Francisco Martínez Marcé, Gabriela Limones, José Olvera, Raúl González, Felicia Garnett, Patricia Garnett.

Veronica Villarespe, in charge of publication.

8143

CSO: 3010/1702

PRI GIVING SPECIAL ATTENTION TO FOUR CAPITAL DISTRICTS

Mexico City EXCELSIOR in Spanish 10 Jun 82 pp 4-A, 22-A

[From "Political Fronts" by Ramon Morones C.]

[Excerpt] PRI [Institutional Revolutionary Party] leaders in the Federal District have strengthened the campaigns of their candidates for federal deputy in the country's capital to exploit "up to the last minute current political promotion activities to ensure total victory in the 40 electoral districts."

In particular, the PRI has concentrated 50-man teams, experts in political promotion activities, to cover gaps in their campaigns for the candidates in the 12th district: Wulfrano Leyva Salas; 17th: Guillermo Davila Martinez; 35th: Armida Martinez Valadez; and 36th: Armando Corona Boza.

"It is not that their efforts as candidates have been bad but rather that they have failed to step up their pace as has been done in the other districts in compliance with the specific instructions they were given so as not to lose a single polling place," it was said in capital PRI circles.

Persons sent to strengthen the PRI campaign staffs are knowledgeable about their respective districts, it was explained.

8143

CSO: 3010/1702

DESTRUCTION OF PRI CAMPAIGN MATERIALS IN CHIHUAHUA

Mexico City EXCELSIOR in Spanish 2 May 82 pp 4-A, 20-A, 32-A

[From "Political Fronts" column by Guillermo C. Zetina]

[Excerpts] Let us not fall for the erroneous tactics and provocations of the Committee for Popular Defense; let us demand that the district election committees take measures to prevent the destruction of political propaganda materials by that anarchistic organization. So said Ignacio Carrillo Carrillo, PRI [Institutional Revolutionary Party] delegate in Chihuahua, asserting that the party will not fall for the CDP [Committee for Popular Defense] provocation, it was reported by Alejandro Irigoyen.

Most of the campaign materials in 5 of the 10 districts of the unit--3 in Ciudad Juarez and 2 in Chihuahua--were destroyed; in addition, campaign propaganda for the presidential candidate was torn down or covered up, the PRI delegate added. "The election officials will be formally requested to intervene and to take measures against and punish these acts of vandalism, which violate the LOPPE."

It has been confirmed that the CDP--headed in Ciudad Juarez by Pedro Matus and in Chihuahua by Adan Siguala--destroyed about 50 percent of the PRI's political publicity materials throughout the district.

Nearly All...

Most of the questions put yesterday to senate leader Joaquin Gamboa Pascoe were not precisely about workers' needs or wages; rather he was questioned about his recent trip to Africa and how to hunt lions. There were no answers to the questions, nor as to who paid for the expensive trip: the workers or the senators of the republic.

8735

CSO: 3010/1669

DE LA MADRID CALLS FOR EFFICIENT ADMINISTRATION

Mexico City EXCELSIOR in Spanish 2 May 82 pp 1-A, 14-A, 30-A

[Article by Guillermo Canton Zetina]

[Excerpt] Miguel de la Madrid, in a meeting with public administration experts--to whom he admitted that a bureaucracy has developed which is expert in filling out forms and making speeches favoring planning and administrative reform, "while its leaders have fallen into serious error and are responsible for improvisation and waste and, in some cases, have tolerated corrupt practices"--called for an end to bossism in the 6-year administrative cycles and the elimination of the distribution of jobs and salaries on the basis of patronage or political ties. The presidential candidate called for modernization of the state administration in a manner far removed from technocracy, so that it does not result in authoritarian regimes, become an ivory tower or a Tower of Babel or be overrun by anti-nationalist administrators. De la Madrid demanded a weeding-out of the pharisees "that we already have in public administration," so that the political will for change may prosper and be strengthened.

He added that he does not want to generate the type of public employee who is self-satisfied in his security and indifferent to the program of the revolution, because we must not create a servant of the state who is above the people's demands. The aspiring PRI [Institutional Revolutionary Party] candidate said that "the implacable law of diminishing returns has appeared in many aspects of our national life, and this should reaffirm for us our need to continue to give high priority to administrative modernization." He emphasized that the history of a peoples cannot be a tranquil and comfortable ascent and that in adverse times commitment to society and the fatherland will move the country forward.

He said that the professionals in public administration must not tolerate inequalities and deficiencies, disorder, lack of coordination, improvisation and much less the diversion of the state's resources. On Friday De la Madrid attended a breakfast at the Campo Marte military club with about a thousand members and leaders of the College of Administration Professionals. He was accompanied by PRI president Pedro Ojeda Paullada.

De la Madrid said that the corruption which has been exposed in the diversion of public funds or in the production of goods and services controlled by the state is intolerable, and he emphasized that influence and the toleration of inefficiency are a form of corruption.

He admitted that it has not yet been possible to establish fully an adequate planning system and that inertia and private interests have obstructed President Jose Lopez Portillo's efforts. In his message he said that harmonization of political tasks with administrative tasks is indispensable. He added that administration, unlike an engineering or mechanical job, is basically a task which affects the whole society, a technique auxiliary to policy. "There is no such thing as neutral administration, chemically pure administration, as in a laboratory. In reality, administration is always at the service of progress and, like any tool, if it is not committed to the causes of the majorities, it can also be placed at the service of causes which are negative for the nation."

For that reason, he said, the least progressive, actually reactionary, position is that taken by an administration that lacks an ideology.

Miguel de la Madrid indicated also that if the state cannot construct and develop an efficient public administration, it is failing in its responsibility, since simply to proclaim an ideology without supporting it with technology is to betray its real essence.

There is nothing in the social sphere, he said, which is outside the concern of the state. There is little in the contemporary state which does not have something to do with the function of administration.

Phenomenal Inefficiency

The expansion of state tasks and the corresponding growth of public administration and the resources assigned to it, in De la Madrid's opinion, "have accelerated in our country with such speed that in certain sectors phenomenal inefficiency and serious waste have appeared, and this phenomenal inefficiency has been added to the old structural causes of national inefficiency.

The function of the administrator, the presidential candidate added, is to point out, if necessary, that the accelerated rate of change promoted in an artificial manner and without taking into account the structures for administering the process is placing it in danger. He explained that for him, modernizing public administration is tantamount to democratization. "I do not accept," he emphasized, "the technocratic modernizations which result in authoritarian regimes; in administration, I know very well the difference between modernization and bureaucratization."

He indicated that the changes in organization, methods and procedures and in administrative usage respond not only to a scientific or technocratic itch; "administrative changes respond to imperatives of a political nature, so that the state will be more capable of fulfilling its commitment to a permanent transformation of society."

At the breakfast--the first step in his campaign in the Federal District, which then took him to the Cuajimalpa delegation--De la Madrid said:

"Public administration in a revolutionary state cannot be, nor should it be, a neutral setting, nor should it be filled with administrators who have no nationalist commitment. In a country with deficiencies and inequalities the administrator cannot tolerate disorder, lack of coordination and improvisation, much less the diversion of society's resources."

He spoke of combining the need for professionalization with the need to form a political awareness in the official and in the public employee, without falling into the risks of bureaucratization. He said it must be a service with a commitment to the people, because a program of administrative modernization "inescapably finds its axis in the improvement of public employees; we must end the hereditary approach of public service and the private use of state resources; we must end the distribution of positions and salaries on the basis of patronage or political connections. There must be no room in revolutionary administrations for this type of thing. We must do away with the practices of bossism in our 6-year administrative cycles."

Improve Public Enterprise

De la Madrid said that private enterprise in Mexico has shown a dynamic for progress and adaptation to change; "but we must recognize that one of the basic responsibilities of our revolutionary ideology is to bring efficiency, effectiveness and productivity to the public sector. Politically we must establish as our goal the expansion of the sphere of activity of the public sector of the economy; but to do this realistically and efficiently, we must substantially improve the levels of efficiency in public enterprise."

He added that the traditional structural weakness of the public sector of the national economy is due to the fact that "we have not known how to relate political conviction to the techniques of administration."

In addition he pointed out that at a time when there is a plethora of risks and challenges, we must know how to administer adversity and difficulties. "We would not be a worthy people, as we are, if we did not know how to conduct ourselves in critical situations with valor and calmness. It would be a very poor nation that would allow itself to be led by intrigues and rumors. Those who allow themselves to be carried away by these pathological phenomena are in the minority. But we must strengthen our will; we must sharpen our talent, and we must know that in times of risk and adversity, only a vital, unconditional commitment to society and the nation can move us forward. That is what we are going to do."

He reiterated that we are living in difficult times, after having had some years of prosperity, years which even created wishful thinking and vain illusions.

"Some groups," he said, "became accustomed to comfort and convenience, to enjoying high standards of living, profits or personal income. At this time, Mexico needs to know clearly, that it is facing temporarily a difficult situation, but that we will only overcome it if we are able to temper our spirit, strengthen our will and fortify the institutions of the republic."

ROSENZWEIG SEES UNDOCUMENTED WORKERS AS GREATEST BILATERAL PROBLEM

Mexico City EXCELSIOR in Spanish 1 Jun 82 p 4-A

[Article by Carlos Velasco Molina]

[Text] The most serious problem in bilateral relations between Mexico and the United States "is that of undocumented workers," Assistant Secretary of Foreign Relations Alfonso de Rosenzweig stated yesterday. He held that "our country no longer is in a position where it has to accept it if the dignity of undocumented Mexican workers is being trampled on"; and he also emphasized that in no way had relations between the two nations cooled.

Interviewed shortly after President Lopez Portillo had inaugurated the Twenty-Seventh Conference of the International Group for the Study of Rubber, the acting secretary of foreign relations noted that interparliamentary meetings between the United States and our country "never have made decisions because these working sessions do not have an executive character."

He said this was the reason such meetings do not come to agreements on the problems they deal with "since they only exchange points of view on the matters they discuss."

Alfonso de Rosenzweig mentioned that relations between the United States and Mexico "were as always concerned with their usual bilateral problems."

He also underlined that it is "our country which has the more important interest in solving the problem of undocumented workers in the United States." He noted that although the United States "and our government hold different positions on the problem of the Malvinas, relations between the two have not cooled"; and he emphasized that supportive Mexican consulates "are functioning at the present time in the neighboring country to the north."

9972

CSO: 3010/1687

PRICE CONTROLS EXTENDED ADDITIONAL 90 DAYS

Over 5,000 Items Affected

Mexico City EXCELSIOR in Spanish 24 May 82 pp 1-A, 13-A, 16-A

[Article by Jaime Contreras]

[Text] "In accordance with an invariable policy for defending the popular economy," President López Portillo decided yesterday to extend for 90 days more the tenure of the decree by which more than 5,000 articles and commodities--not counting other products previously controlled--will remain subject to price control and registration.

This was made known by the Secretariat of Commerce which stated that the presidential decree of 24 February is being extended until 24 August. The new period will be announced today in the Federation's Official Gazette.

The secretariat pointed out that--as it was expressed by its incumbent Secretary Jorge de la Vega Domínguez on that date--it is trying to protect the economy of the most needy classes while also preventing a situation in which "unjustified and excessive price rises occur" with the excuse that they are necessary because of the monetary deflation.

The government measure furthermore seeks to prevent hoarding and the refusal to sell which injure the national economy, above all the consumers with scant incomes.

The secretariat staff had made it known on 24 February that over 5,000 articles would be subject to price control and registration: this was done after De la Vega Domínguez had met with President López Portillo at Los Pinos.

Commodities to be included in the extended period of control are as follows:

Food articles for general consumption; powdered chocolate and table chocolate; hams; canned and packaged soups; prepared corn, rice and wheat cereals; powdered and granulated gelatin; soft drinks and waters in all types of containers; preserves and jellies; prepared powdered beans; mayonnaise; cream; butter; margarine; and ordinary bread.

Raw materials essential for national industry as follows: industrial salt, fish meal, phosphorus.

Among products for basic industries are included oils and lubricants, nails, cord and steel wire for tires, cardboard sheets, pesticides, insecticides, fungicides, and herbicides.

Also to remain unchanged in price are articles produced by important branches of national industry like automobiles; motorcycles; bicycles; television sets; radios; tires and tubes for all kinds of vehicles; fountain pens; ball-point pens; matches; pressure cookers; kitchen utensils; water purifiers for home use; fans; engines; razors and razor blades; mattresses; portable cylinders and gas tanks; facial and toilet paper as well as paper napkins and other paper products of all types for home use; containers and packages of all types made from all kinds of materials and for all kinds of uses; and flat glass.

The list includes agricultural machinery and accessories and also oxygen for medicinal purposes.

There also remain subject to price control and registration the following items: sweetbread; preserved sausages in containers of all types; cheeses; yogurt; preserved sauces in containers of all types; consommés and extracts; beer, wines and liquors; blouses; socks and anklets; shoes; shirts; skirts; hose and panty hose; underwear, sweaters; dresses; diapers; clothing for children; school uniforms; sheepskin jackets; sportswear; overcoats; cashmere and gabardine suits; raincoats; sand; ordinary brick; firebrick; oil paints and vinyls; plasterboard; concrete pipe; baby bottles; shampoos; deodorants; toothbrushes; sanitary napkins and similar products; automotive components and spare parts; first-aid kits; commodes; soap dishes; wash basins; bathroom fixtures; buckets; beds; and cameras.

Relabeling To Follow

It should be pointed out that for many product lines, relabeling has again been seen. In a trip made through various establishments and service shops in the metropolitan area, price increases of 50 to 70 percent were found among articles like instant coffee; soap; toilet paper; sausages and cold cuts; clothing in general and shoes.

Also could be observed the hoarding of eggs, sugar, milk, cooking oils and other products of prime necessity.

In the face of this, the Secretariat of Commerce reiterated again that the full force of the law will be applied against those merchants who raise prices and rates. It was recalled that the Law of Executive Powers in Economic Matters specifies fines of from 10,000 to 500,000 pesos and incarceration up to 10 years for offenders.

Considerations on 23 February

The Secretariat of Commerce recalled the matters under consideration by President López Portillo on 23 February; these included a list of necessary consumer articles; the prices of which had risen unjustifiably and the fact that there had been hoarding and other abuses by some persons taking advantage of the monetary devaluation to the disadvantage of the national economy and consumers, particularly those of the working class.

So the decision in favor of price control was adopted because of the speculation and increases already noted. It was said at that time that these rises had occurred basically among products not under price controls.

The Commerce authorities reiterated what President López Portillo has said about the new rate of exchange, that it has influenced costs of imported goods and those containing components of foreign origin so positively that a rise in prices based on previous conditions is no longer justified. Nevertheless, in spite of this and efforts to guard against every contingency, abuses have been committed. To stop these now requires State intervention because the State cannot allow the monetary measures it adopts to be wrongly used for speculation and excessive profits.

Qualified Praise for Regulation

Mexico City EL DIA in Spanish 24 May 82 p 5

[Article by Miguel Tirado Rasso: "Price Freezing, Even If It's a Dead Letter"]

[Text] With the expiration of the 90-day period which might have created a lull in the race to increase prices, we are today back again at the point of confrontation between Mexicans. A clash of interests defending their respective positions, some for personal benefit and others to survive. Failure to recognize this has prevented a dialogue which could have established the minimum bases for conciliation and for recognition that both factions are part of the same whole so that harm to one side will sooner or later hurt the other.

A curious lull it certainly has been because official planning did very well establish a price freeze on various articles of primary necessity but in practice we have suffered the anarchy which a dynamic process of price increases has generated during this period.

This experience prompts the dreadful thought: what would be the effects of an official freeing of prices from control? Control could be exercised only with difficulty during this period which we would have to regard as merely a lull, only good intentions being left at the end of it.

Nevertheless, the expiration of this period has been awaited with anticipation on the part of employers and with deep concern on the part of the general public. The former because they want to obtain officially what they have

already obtained in an irregular manner in practice; namely, a rise in prices and then, if possible, another rise. The latter because they are the people placed in a critical situation which would become even worse as a consequence of such rises in price.

Statements issued by one and the other faction to the point where some have just found the cause of all our woes in price controls and the "extraordinarily high salary increases." Woes all chargeable to the government and the workers since they have hindered the employers from freely exercising their leadership so that they can clearly designate the best courses for our economy to follow. Courses which surely must be those which will establish privileges and rights for a small group of people and sacrifices and obligations for the majority.

The war prices wage against their control has a remote origin and the state has been powerless to win the victory. Battles have been won but not the war and, with the passage of time, the state has lost ground. Exerting pressure, the top leader of COPARMEX [Employers Confederation of the Mexican Republic] has just said that the nonauthorization of price increases at the end of this period would add incredulity to the present lack of credibility, which constitutes a strategem to find justification for the unjustifiable. But the above statement was made by a person who thinks that price controls are equivalent to measures suitable for a Paleolithic economy.

On the other hand, pressures do have an effect and therefore--three days before the fearful period is set to expire--it is the authorities themselves who broke the agreement and authorized increases, justified or not. These could have been authorized instead after the expiration of the decreed period on the basis of research on the frozen prices of products which has been in progress, according to what we have learned. This then was a precipitate action and not very timely because the rights of the large groups of people should have prevailed even if that would have given them only 3 more days respite. A bad omen this particular authorization, because medical products were involved and these might be considered articles of primary necessity...In this way health is going to be converted into an item which the people can preserve only with difficulty.

But there are also opposite pressures. Those which call for respect for a just and worthy life, for a better-balanced society, for a more equal distribution of wealth. In the final analysis because they want a sacrifice by the minority of people for the benefit of the majority, unlike up to now when only the opposite has occurred. These voices ask that the price decree be extended, that it be renewed so that they do not once more fall prey to a price escalation which will make it still harder to get out of this economic crisis soon.

We want to move ahead from the present situation which concerns everyone. It is up to the state to impose the necessary regulations to accomplish this. It has exercised its conciliatory role by perhaps leaning a bit toward the power of capital. In spite of this, the working class has not been resentful. On the contrary, among workers has always been found an immediate response to

and unconditional support for all calls made upon them. This would not now be the time to be harder on them and require whoever can to make a sacrifice. If the violation of price controls has been apparent even under decree, then without it anarchy will rule. The decree for price freezes must be renewed and the merchants must be satisfied with what they have already, without authorization, succeeded in gaining.

Violations Noted

Mexico City EL DIA in Spanish 31 May 82 'Metropoli' supplement p 3

[Article by Margarita Hurtado]

[Text] Merchants in outlying areas of the city and in Mexico State are continuing to speculate and to raise prices of basic products like oil, tortillas and milk in the face of scant vigilance on the part of the Secretariat of Commerce.

Oil, for example, is sold both by stalls and by markets on wheels at 75 pesos per liter, according to complaints made to the PRI's [Institutional Revolutionary Party] senatorial candidate for the Federal District, Abraham Martinez Rivero, during a trip he made through Culhuacan.

Insofar as milk is concerned, according to what several housewives told "Metropoli," it is sold directly to the public for 19 to 20 pesos even though the official price is 16 pesos 50 centavos.

This discrepancy has been noted in various parts of the metropolitan area, both in residential developments and in the government chain stores.

As regards tortillas, they are sold at 10 pesos per kilogram after 11 am, according to what housewives of Ecatepec de Morelos municipality say.

Merchants raise the price of a kilogram of tortillas when they think inspectors will no longer come by their stores.

The raises cited above are considered a betrayal inasmuch as most merchants have not raised their prices.

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BRIEFS

PDM URGES MULTIPARTY CABINET--The only way Mexicans can enjoy the kind of government they have never had to date and the only way to solve the problem of shortages is to form a broadly based cabinet made up of representatives of all the political parties, Ignacio Gonzalez Gollaz, the presidential candidate of the PDM [Mexican Democratic Party], said yesterday, adding that this type of presidential cabinet would help cut down government corruption. Interviewed moments before his departure for the State of Aguascalientes--where he will begin another stage of his campaign--Gonzalez Gollaz stated that the program of his political organization seeks solutions to all the problems burdening Mexico at present, "by changing the system from top to bottom, from the presidency to the smallest city hall and by also changing the social and economic system of the country." According to Sinarquist aspirant to the opposition of chief executive, the program of the Mexican Democratic Party also has as its objective increases in production and wealth and a just distribution of both, goals that the party in power has not achieved during more than 50 years in the government. [Text] [Mexico City EL DIA in Spanish 30 Apr 82 p 6] 9015

NEW FACILITIES FOR VERACRUZ BATTALION--Emiliano Zapata, Vera Cruz, 26 May--President Jose Lopez Portillo yesterday dedicated modern buildings that will house the 63d Infantry Battalion, providing it with the means needed to better perform its function. The chief executive was accompanied at the ceremony by the secretary of national defense, Felix Galvan Lopez, the Governor of the State, Agustin Acosta Lagunes, and representatives of the local government. During his stay at the garrison, Galvan Lopez explained to the head of the nation that the construction of the project was made possible thanks to the budget of the federation and the efforts of military personnel, which substantially reduced costs. Arturo Zavala, the battalion commander, thanked Jose Lopez Portillo, the commander in chief of the army and the armed forces, for his concern that the personnel of the unit might have the necessary and adequate means for living and operating, mentioning especially the building and furnishing of modern housing for the troops. He said that this installation would allow the battalion to carry out the missions assigned to it in a timely and efficient manner, and he reiterated the commitment to continue serving the people and to wear the uniform of the constituted armed force with pride and honor as "one more step along the road to the accomplishment of the goals that guide all of us who belong to the military institution." [Text] [Mexico City EL DIA in Spanish 26 May 82 p 3] 9015

PSUM, PRI CLASH--Juchitan, Oaxaca, 8 Jun--One person suffered a gunshot wound and 20 others were beaten during a confrontation today between members of the PRI [Institutional Revolutionary Party] and the PSUM [Unified Socialist Party of Mexico] in Santa Maria Xadani, a town located 3 kilometers from this city. The incident occurred at 1200 hours when the election campaigns of federal deputy candidates Enrique Palomec, of the PRI, and Hector Sanchez Lopez, of the PSUM, were being held simultaneously. Insults were exchanged over loud-speakers after which the opposing forces set upon one another with sticks, stones and sharp, pointed objects. Someone in the crowd fired a gun, wounding Gulmaro Santiago Guerra, a member of the PSUM. [Text] [Mexico City EXCELSIOR in Spanish 9 Jun 82 p 5-A] 8143

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